



Calhoun: The NPS Institutional Archive

Theses and Dissertations

Thesis Collection

1990-06

The implications of the changes in the Soviet Union
and Eastern Europe on NATO-Warsaw Pact
relationship and the U.S. Department of Defense budget

Guerrero, Richard

Monterey, California: Naval Postgraduate School



Calhoun is a project of the Dudley Knox Library at NPS, furthering the precepts and goals of open government and government transparency. All information contained herein has been approved for release by the NPS Public Affairs Officer.

Dudley Knox Library / Naval Postgraduate School
411 Dyer Road / 1 University Circle
Monterey, California USA 93943

<http://www.nps.edu/library>

2

NAVAL POSTGRADUATE SCHOOL

Monterey, California

AD-A237 098



DTIC
ELECTE
JUN 24 1991
S B D

THESIS

THE IMPLICATIONS OF THE CHANGES
IN THE SOVIET UNION AND EASTERN EUROPE
ON NATO-WARSAW PACT RELATIONSHIP AND THE
U.S. DEPARTMENT OF DEFENSE BUDGET

by

Richard Guerrero

June, 1990

Thesis Advisor:

Larry R. Jones

Approved for public release; distribution is unlimited.

91-02866



Unclassified

Security Classification of this page

REPORT DOCUMENTATION PAGE

1a Report Security Classification UNCLASSIFIED			1b Restrictive Markings			
2a Security Classification Authority			3 Distribution Availability of Report Approved for public release; distribution is unlimited.			
2b Declassification/Downgrading Schedule						
4 Performing Organization Report Number(s)			5 Monitoring Organization Report Number(s)			
6a Name of Performing Organization Naval Postgraduate School		6b Office Symbol (If Applicable) 54	7a Name of Monitoring Organization Naval Postgraduate School			
6c Address (city, state, and ZIP code) Monterey, CA 93943-5000			7b Address (city, state, and ZIP code) Monterey, CA 93943-5000			
8a Name of Funding/Sponsoring Organization		8b Office Symbol (If Applicable)	9 Procurement Instrument Identification Number			
8c Address (city, state, and ZIP code)			10 Source of Funding Numbers			
			Program Element Number	Project No	Task No	Work Unit Accession No
11 Title (Include Security Classification) THE IMPLICATIONS OF THE CHANGES IN THE SOVIET UNION AND EASTERN EUROPE ON NATO-WARSAW PACT RELATIONSHIP AND THE U.S. DEPARTMENT OF DEFENSE BUDGET						
12 Personal Author(s) Richard Guerrero						
13a Type of Report Master's Thesis		13b Time Covered From To		14 Date of Report (year, month, day) 1990, June		
15 Page Count 134						
16 Supplementary Notation The views expressed in this paper are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.						
17 Cosati Codes			18 Subject Terms (continue on reverse if necessary and identify by block number) NATO, U.S. DOD Budget, Perestroika, Glasnost, Eastern Europe			
Field	Group	Subgroup				
19 Abstract (continue on reverse if necessary and identify by block number) The thesis reviews the changes in the Soviet Union and Eastern Europe; analyzes their affect on Western security; and assesses the United States Department of Defense's possible options in terms of forces and the budget. The main findings are: (1) The Warsaw Pact threat to NATO and the United States has been significantly reduced. (2) The future of European security centers on the issue of Germany. (3) A new mission for NATO is needed which will reflect a greater emphasis on NATO's political capabilities. As East-West confrontation recedes and the prospects for East-West cooperation advance, NATO can contribute to meeting the new challenges and helping in determining the path for the evolution of European and Atlantic security. (4) The United States must revise the military budget to seize the opportunities presented by the events in 1989 and, at the same time, maintain a military capable of defending our interests and meeting the uncertainties of the future. The true challenge for future military budgets will be to use the international opportunity to save money in a sensible manner that matches defense spending with military strategy.						
20 Distribution/Availability of Abstract <input checked="" type="checkbox"/> unclassified/unlimited <input type="checkbox"/> same as report <input type="checkbox"/> DTIC users			21 Abstract Security Classification Unclassified			
22a Name of Responsible Individual L. R. Jones			22b Telephone (Include Area code) (408) 646-2482		22c Office Symbol AS/Jn	

DD FORM 1473, 84 MAR

83 APR edition may be used until exhausted

All other editions are obsolete

security classification of this page

Unclassified

Approved for public release; distribution is unlimited.

**The Implications of the Changes in the Soviet Union and
Eastern Europe on NATO-Warsaw Pact Relationship and the U.S.
Department of Defense Budget**

by

Richard Guerrero
Lieutenant , United State Navy
B.A., Valparaiso University, 1978

Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF SCIENCE IN MANAGEMENT

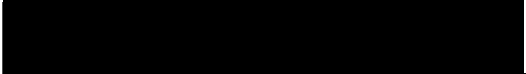
from the

NAVAL POSTGRADUATE SCHOOL
June 1990

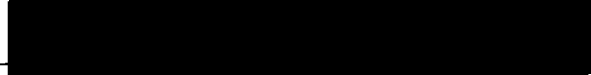
Authors:


Richard Guerrero

Approved By:


L. R. Jones, Thesis Advisor


Jerry L. McCaffery, Second Reader


David R. Whipple, Chairman,
Department of Administrative Sciences

ABSTRACT

The thesis reviews the changes in the Soviet Union and Eastern Europe; analyzes their effect on Western security; and assesses the United States Department of Defense's possible options in terms of forces and the budget. The main findings are: (1) The Warsaw Pact threat to NATO and the United States has been significantly reduced. (2) The future of European security centers on the issue of Germany. (3) A new mission for NATO is needed which will reflect a greater emphasis on NATO's political capabilities. As East-West confrontation recedes and the prospects for East-West cooperation advance, NATO can contribute to meeting the new challenges and helping in determining the path for the evolution of European and Atlantic security. (4) The United States must revise the military budget to seize the opportunities presented by the events in 1989 and, at the same time, maintain a military capable of defending our interests and meeting the uncertainties of the future. The true challenge for future military budgets will be to use the international opportunity to save money in a sensible manner that matches defense spending with military strategy.



Accession For	
NTIS GRA&I	<input checked="checked" type="checkbox"/>
DTIC TAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By _____	
Distribution/	
Availability Codes	
Dist	Avail and/or Special
A-1	

TABLE OF CONTENTS

I. INTRODUCTION	1
A. BACKGROUND.....	1
B. THESIS OBJECTIVE	2
C. METHODOLOGY	2
D. CHAPTER OUTLINE	2
II. BACKGROUND ON NATO AND THE WARSAW PACT	4
A. BACKGROUND ON NATO	4
B. BACKGROUND ON THE WARSAW PACT	9
C. COEXISTENCE BETWEEN NATO AND THE WARSAW PACT	11
D. NATO AND THE ISSUE OF RESPONSIBILITY SHARING	15
III. ANALYSIS OF THE CHANGES IN EASTERN EUROPE AND THE SOVIET UNION.....	19
A. INTRODUCTION.....	19
B. BASIC GOALS OF THE EMERGING DEMOCRACIES IN EAST EUROPE.....	23
C. FACTORS COMPLICATING THE TRANSITION	26
D. POLITICAL FUTURE OF EASTERN EUROPE.....	38
E. COMECON AND ECONOMIC CONSIDERATIONS.....	41
F. ANALYSIS OF CHANGES IN THE SOVIET UNION.....	43
G. CONCLUSIONS ON CHANGES IN THE SOVIET UNION	57
IV. ANALYSIS OF EUROPEAN SECURITY	60
A. THE GERMAN QUESTION	61
B. THE RUSSIAN QUESTION.....	72
V. ANALYSIS OF CHANGING RELATIONSHIP IN NATO	75
A. WARSAW PACT.....	75
B. SOVIET FORCE REDUCTIONS.....	76

C. NONSOVIET WARSAW PACT (NSWP).....	80
D. THE NATO CHALLENGE.....	88
E. CONCLUDING THOUGHTS ON NATO.....	95
VI. ANALYSIS OF THE BUDGETARY IMPLICATIONS OF NATO- WARSAW PACT CHANGES FOR THE U.S. DEPARTMENT OF DEFENSE	97
A. INTRODUCTION.....	97
B. BUSH ADMINISTRATION 1991 DEFENSE BUDGET.....	100
C. SENATOR NUNN'S ALTERNATIVE.....	105
VII. CONCLUSIONS	116
A. SUMMARY.....	116
B. ANALYSIS.....	116
C. FUTURE DIRECTION	118
LIST OF REFERENCES	119
INITIAL DISTRIBUTION LIST.....	127

I. INTRODUCTION

A. BACKGROUND

The status quo in the Soviet Union is changing and its hegemony over Eastern Europe is dissolving. The reaction by Western Europe and the United States, in light of domestic problems, demands a re-evaluation of the United States' national interest related to European security.

The traditional view for ensuring Western European security depends on NATO conventional and nuclear deterrence to "contain" the forces of the Soviet Union and the Warsaw Pact nations. As Eastern Europe attempts the transition to social democracies, the Soviet leadership advocates multilateralism, devolution and demilitarization, and the two Germanies move, seemingly inexorably, toward some form of unity, the question of NATO's basic assumptions must be reevaluated. Under the circumstances, creative rethinking is required.

Continued political changes in the Soviet Union and Eastern Europe provides challenge and opportunity for Western planners. These bolder sets of assumptions must address the new threats realistically and reevaluate the U.S. national and multilateral interests. This could lead to significant changes in defense spending and the presence of U.S. forces in Europe.

The Department of Defense (DOD) must provide well thought out, long-range guidance for forces and budget realignment. The DOD has a rare opportunity to create a new defense posture for Europe.

B. THESIS OBJECTIVE

The thesis will assess the current military forces structure and alignment in NATO and the Warsaw Pact nations. It will then review the changes that appear to affect the status quo. It will analyze the options and implications of change for the Soviet Union, Eastern Europe, and Western Europe. It will then review the implications to the United States in terms of national security interests and forces deployment. Finally, it will analyze the United States Department of Defense's possible options in terms of forces and the budget.

C. METHODOLOGY

The basic form of this study is descriptive. This thesis is based on research data via a comprehensive review of literature and also through personal interviews conducted with academics, national security and defense officials and congressional staffs.

D. CHAPTER OUTLINE

The rest of this thesis consists of four chapters.

Chapter II provides background on NATO and the Warsaw Pact. This chapter will analyze the history and status quo of NATO.

Chapter III examines the changes taking place in Eastern Europe and the Soviet Union.

Chapter IV provides an analysis of how the changes in Eastern Europe and the Soviet Union will affect European security.

Chapter V provides an analysis of the changing relationships in NATO and the Warsaw Pact.

Chapter VI provides an analysis of the budgetary implications of NATO-Warsaw Pact changes for the U.S. Department of Defense.

Chapter VII analyzes and presents conclusions based on the present research. It will also outline areas for future research.

II. BACKGROUND ON NATO AND THE WARSAW PACT

A. BACKGROUND ON NATO

By the late 1940s, many in the United States and Europe feared the collapse of Western Europe from the combined threats of Soviet expansionism and the chaotic political, economic and social conditions in the region. Advancement in war technology created a world too small for the United States to ignore and made it impossible to return to pre-World War II isolationism. The war created a European power vacuum. In order to avoid Soviet domination and social-political deterioration in the West, the United States filled this vacuum. The remedy for post-war uncertainty in Europe was massive U.S. aid to the economies of Western Europe and closer security relations with the United States as the dominant member.

President Truman announced in a message to Congress calling for financial aid to Greece and Turkey on 12 March 1947 that "... it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressure."¹ Truman followed George Kennan's suggestion that U.S. support could not be merely military but needed to include other forms of aid because, "... the seeds of totalitarian regimes are nurtured in misery and want."²

¹*Encyclopedia Britannica*, 15th ed.,(Chicago: Encyclopedia Britannica, 1987), 3, 21:799.

²Quoted in Lawrence S. Kaplan,*NATO and The United States: The Enduring Alliance*, Twayne Publishers, 1988, p. 15.

On 5 June of the same year George C. Marshall, United States Secretary of State, proposed at Harvard a European Recovery Program for economic rehabilitation. The Marshall Plan followed through on that part of the Truman Doctrine which realized the threat to Europe was not only military, but also social and political. Communism had the best chance "... where hunger and hopelessness prevailed."³ As important, the Marshall Plan recognized a cure could not be imposed on Europe by the United States but had to be a plan that required European initiative and mutual aid. It stressed "that economic revival must stem from the energies and will of the people themselves."⁴

The long range U.S. objective was to break down economic barriers and national animosities in Europe. In addition, it intended to bring Germany back into the European community. According to Paul Hoffman, the American administrator of the plan, America's ultimate goal for the Marshall Plan was to "get Europe on her feet and off our backs."⁵ The first formal European response to the Marshall Plan was a 50 year treaty of mutual assistance signed on 17 March 1948 at Brussels by Britain, France, Belgium, the Netherlands, and Luxembourg.

³Ibid., p. 16.

⁴Ibid.

⁵Quoted in Peter Foot, *Defense Burden-Sharing in the Atlantic Community 1945-1954*, Center for Defense Studies, 1981, p. 13., from U.S. Congress, Senate, Committee on Foreign Relations, *Extension of the European Recovery Program*, (Washington: USGPO, 1974), p.240.

Foot states that without Stalin the alliance may never have occurred. Soviet aggressiveness, such as the Berlin blockade started three months after the Brussels Treaty on 24 June, accelerated closer American and European security relations. Thus, the Atlantic alliance grew in importance because of the breakdown of security agreements between the United States and the Soviet Union, and a loss of faith in the United Nations as the means for solving the global differences.⁶

The Vandenberg Resolution, adopted on 11 June 1948, attempted to keep American interests in Europe within the framework of the United Nations Charter. Most important, however, it cleared many of the legal roadblocks to United States participation in an Atlantic alliance. Even with continued American stated suspicion of Europeans' intentions, as well as European resistance to sharing Europe with the U.S. and their frustrations in reaching European unity, this closer Atlantic relationship took the form of the North Atlantic Treaty Organization signed on 4 April 1949 in Washington by Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States.

President Truman announced in September 1950 that the U.S. would place a substantial military force in Europe under the command of General Dwight D. Eisenhower as the first Supreme Allied Commander Europe (SACEUR). In October of the same year, French Prime Minister Rene Plevin proposed creating a European military force, including German contingents, within the framework of NATO. Greece and Turkey joined NATO in

⁶ Foot, p. 7-8.

February 1952, followed by the Federal Republic of Germany (FRG) in May 1955.

France's continual distrust in the alliance culminated in President de Gaulle's letters to alliance leaders in March 1966 announcing France's withdrawal from NATO's integrated military structure and expectation of a quick removal of all NATO forces. Spain became the sixteenth member in December 1981.

Prior to the Marshall Plan and the North Atlantic Treaty, a cornerstone of America's foreign policy was "abstention from European political and military entanglements."⁷ American isolationism dated back to President Washington's Neutrality Act of 1774 and his warning in 1796 to avoid entangling alliances. The reason to avoid alliances was based on a distrust of the European dynastic order. Not only was America to isolate itself in order avoid being duped into fighting one European power for the sake of another, but also for the sake of preserving democracy and the popular sovereignty theory.⁸

Although isolationism was the cornerstone of American diplomatic history prior to World War II, people such as Thomas Jefferson thought it was still in the United States' national interest that Europe remained balanced without one single dominant power. From 1812 to World War I,

⁷Kaplan, p. 1.

⁸The section on the development and downfall of American isolationism is largely based on a lecture by Prof. David S. Yost, Naval Postgraduate School, Monterey, California, held 16 May 1990.

the United States was in a comfortable and privileged position to be able to avoid alliances.

Isolationism started breaking down with the United States involvement in World War I. After the War, Britain and France believed a Europe could not be balanced without U.S. involvement. Regardless, America's tradition prevailed when the senate rejected on 19 March 1920 United States participation in the League of Nations.

In the 1920s and '30s, America tried to reconcile the new Germany with the rest of Europe. In 1923, U.S. Secretary of State, Charles E. Hughes, warned that the Bolshevism of Germany was a greater threat to Europe than German militarism. The 1930s brought the Depression, rise of Hitler and a triumph of isolationists in America defeating attempts to influence Europe and restore Germany.

America's involvement in Europe via NATO was a break from this past. The Vandenburg Resolution was the final break from American isolationism and was a notice to Stalin that a pact of cooperative action was on its way. At first, America merely agreed to join the Alliance Treaty. Troop involvement came later. In May 1949, the following exchange occurred between Senator Hickenlooper and Under Secretary of State Acheson before the United States Senate Committee on Foreign Relations hearings on the North Atlantic Treaty:

Senator Hickenlooper:

I believe you said earlier in your testimony today that it was contemplated that a great portion of the armament, or the developed armament, of western Europe, in the nations of this pact, would be carried under their own weight. I presume that that refers also to the manpower in their armies. I am interested in getting the answers as to

whether or not we are expected to supply substantial numbers—by that, I do not mean a thousand or two, or 500, or anything of that kind, but very substantial numbers—of troops and troop organizations of American troops, to implement the land power of western Europe prior to aggression.

Is that contemplated under article 3, where we agree to maintain and develop the collective capacity to resist? In other words, are we going to be expected to send substantial numbers of troops over there as a more or less permanent contribution to the development of these countries' capacity to resist?

Secretary Acheson:

The answer to that question, Senator is a clear and absolute "No."⁹

The primary interest of Europeans in an alliance with the United States was for national survival. Europe was in no condition to repair itself and only the Americans had the power and, since it produced close to half of the world's gross national product (GNP), the resources to save them. The formation of NATO was a recognition by the Europeans that their nationalistic rivalries, which helped to cause two world wars, had to be controlled¹⁰

B. BACKGROUND ON THE WARSAW PACT

The Soviet Union's organization of the Warsaw Pact on 14 May, 1955 was seen as the result of its failure to break NATO apart. Since it could not remove American military presence in Europe by force, it tried to remove it

⁹U.S. Senate, Hearings on the "North Atlantic Treaty," before the Committee on Foreign Relations, United States Senate, Eighty-First session, United States Government Printing Office, 1949, p. 47.

¹⁰Yost

by threatening and coaxing the Europeans, especially the Germans. Its means was the Warsaw Treaty Organization (WTO). The pact with the Soviet Union and all its communist neighbors (initially including Albania) offered nothing new, however, that had not already been in place since the beginning of the Cold War.¹¹

Nikita Khrushchev decided to construct in the Pact a formal institutionalized vehicle of cooperation for Soviet dominated European states. "It did not reflect specific military needs and until the early 1960s performed no function whatsoever; it is even doubtful whether Moscow takes it seriously."¹² The Warsaw Pact Treaty Organization served three purposes:

It allowed the Soviet Union to claim that its military presence in Eastern Europe was based on the consent of the East Europeans; it explicitly assured East European leaders of Soviet military support in case of need; and it acted as an implicit deterrent against any popular uprising.¹³

The major difference between the Warsaw Pact and NATO was in the ultimate intentions of the superpowers. The Soviet Union imposed itself on unwilling allies, installing unwanted regimes by force and subversion. The United States had reluctantly entered into a voluntary alliance. The United States saw NATO as a pluralistic organization and did not expect a permanent participation in European defense. Soviet leaders, however, saw Eastern

¹¹Kaplan, P. 70.

¹²Jonathan Eyal, "The Warsaw Pact: Does It Have a Future?," *European Security Analyst*, February 1990, p. 1.

¹³*Ibid.*

Europe not only as an extension of its own border, but as prelude to the conquest of the rest of Europe. The Warsaw Pact was as an arm of Soviet policy. The Brezhnev Doctrine set the rules for the communist bloc:

Without question, the peoples of the socialist countries and the Communist parties have and must have freedom to determine their own countries' paths of development. Any decision they make, however, must not be inimical either to socialism in their own countries or to the fundamental interests of other socialist countries... The sovereignty of individual socialist countries cannot be set against the interests of world socialism and the world revolutionary covenant... Each Communist party is free to apply the basic principles of Marxism-Leninism and socialism in its own country, but it is not free to deviate from these principles... The weakening of any of the links in the world system of socialism directly affects all the socialist countries, and they cannot look indifferently upon this."¹⁴

Thus, the Warsaw Pact members had little choice but to align with the Soviet Union. Western Europeans integrated their forces and yielded their political autonomy because of perceived Soviet expansion. They aligned because of what the Soviet Union did and continued to do.

C. COEXISTENCE BETWEEN NATO AND THE WARSAW PACT

In the 1960s, the United States' commitment to Vietnam and the rest of Asia increased and distracted its attention away from Europe. At the same time, many Europeans desired to decrease the need for U.S. involvement in their area and minimize the threat of conflict with the Warsaw Pact. *Detente* provided an opportunity to allow the U.S. to divert attention from Europe to

¹⁴Quoted in Mark Krammer, "Beyond the Brezhnev Doctrine," *International Security*, Vol. 14, No. 3, Winter, 1989/90, p. 25, from Sergei Kovalev, "Suverenitet i internatsional'nye obyazannosti sotsialisticheskikh stran," *Pravda*, September 26, 1968, p. 4.

Asia and provide Europeans a hope for lasting peace and independence. A Conference on Mutual Balanced Force Reduction (MBFR) began in October 1973. The signing in August 1975 of the Helsinki Final Act of the Conference on Security and Cooperation in Europe (CSCE), an agreement of coexistence between the East and West and final legitimization of Soviet domination over the Warsaw bloc, was the peak of *Detente*.

Detente was eventually discredited as a benefit to the East at the expense of the West. While NATO remained relatively stable in strength, Soviet power continued to grow into the 1970s. By 1979, President Carter decided on a dual track approach of military modernization and rebuilding while seeking arms control at the same time. NATO decided in December 1979 to deploy intermediate-range nuclear force (INF) missiles while seeking limitation on the same systems. The Reagan administration used a heavy hand to deal with the Soviet Union and conducted the largest military build up since World War II.

The Stockholm accord of September 1986 from the Conference on Confidence and Security Building Measures and Disarmament in Europe (CDE) expanded the confidence-building measures in the 1975 Helsinki Final Act. In December 1987, the United States and the Soviet Union signed the INF Treaty which banned all ground-launched intermediate-range missiles from U.S. and Soviet inventory.

**TABLE 1. BASIC FORCE COMPARISON OF NATO AND THE
WARSAW PACT**

	NATO	Warsaw Pact
Creation	1949	1956
Members	Belgium Britain Canada Denmark France Iceland Italy Luxembourg the Netherlands Norway Portugal united States Greece ¹⁵ Spain Turkey West Germany	Bulgaria Czechoslovakia East Germany Hungary Poland Rumania Soviet Union ¹⁶

Nuclear Weapons: ¹⁷

- Long range missiles launchers (including both alliance and individual nation totals)

Belgium	5	Bulgaria	72
France	32	Czech. & GDR	376
Italy	6	Hungary	55
the Neth.	7	Poland	102
West Ger.	76	Rumania	50
U.S.		Soviet Union	951

¹⁵Greece and the remaining NATO countries listed are not original members.

¹⁶Albania, an original member, formally withdrew from the Warsaw Pact in September 1968, terminating all official identification with the Soviet bloc.

¹⁷*New York Times*, "The Two Spheres," p. A11, 1 December 1989.

- Intermediate-range missiles

Britain	cruise missile	96	Czech. & GDR	SS-12: 93
Belgium	cruise missile	16	SS-23:	53
Italy	cruise missile	96	Soviet Union	SS-20: 243
West Ger.	cruise missile	48	(162 more in Asia)	
	Pershing 1a	72	SS-4:	65
	Pershing 2	108	SS-12:	127
			SS-23:	114

- Conventional Arms (NATO data¹⁸)

Ground Forces	2,213,593	3,660,200
Tanks	16,424	30,690
Armored troop carriers	23,340	46,900
Artillery	14,458	57,060
Combat aircraft	3,977	7,130
Helicopters	2,419	5,270

- Conventional Forces (Warsaw Pact data)

Ground Forces	3,090,000	3,573,100
Tanks	51,500	59,470
Armored troop carriers	55,100	70,330
Artillery	43,400	71,560
Combat aircraft	8,250	7,876
Helicopters	3,700	2,785

¹⁸ NATO data does not include units in storage or training aircraft.

D. NATO AND THE ISSUE OF RESPONSIBILITY SHARING

The resounding successful reconstruction of Western Europe and Japan after World War II may be the most honorable achievement history will award the United States of America. The United States lifted Western Europe and Japan from post-war ruin and aided them to the point where today they are economic powers.

The United States has paid a large price for its commitment. The United States provided greater than \$33.9 billion for the Marshal Plan and post-war efforts (\$184.8 billion in 1989 constant dollars). An estimated annual \$160-170 billion (approximately 60 percent) of the U.S. defense budget is committed to NATO.¹⁹ In 1987, the United States dedicated approximately 6.6 percent of its gross domestic product (GDP) on defense, while its NATO allies averaged 3.4 percent.²⁰ This does not fully consider the domestic cost of a large military presence overseas, nor the opportunity cost of these efforts.

At the same time Europe and Japan were being rebuilt, the United States' portion of world GNP dropped from approximately 50 to 25 percent.²¹ This point does not mean to follow Professor Paul Kennedy's thesis that the cost of imperial over-stretching or overextending military power will bring the downfall of empires (thus, that the U.S. commitment to NATO single-

¹⁹Committee on Armed Services, *Interim Report of the Defense Burdensharing*, U.S. Government Printing Office, 1988, pp. 2-3.

²⁰Christopher C. Bolkcom, *NATO Burdensharing: An Analysis of Major Legislation in the 100th Congress*, Congressional Research Service, 3 January 1989, p. 1.

²¹*Ibid*, pp. 11-13.

handedly has brought the downfall of the American Empire). Rather, the point is that while the U.S.'s economic position relative to the rest of the world has changed, its military role has not.²²

The change in circumstance and the perception of inequality of sharing of the burden caused many in the United States to question why the United States still desires to contribute significantly more to NATO than all of the other 15 NATO members combined, and whether a democratic and increasingly strong economic and politically unified Europe still needs and desires a large contribution and standing force from the United States. Prior to the fall of 1989, the defense burden was an issue integral to all Western security issues. For the Americans, the point of this debate was:

... how to guarantee the economic and military security of the United States and its allies in the 21st century and ensure that developed countries with mutual defense interest share the cost of that defense on a more equitable basis and contribute more equitably to the security, economic and political well-being of less developed countries.²³

To complicate matters, there is no agreed upon formula to measure the burden. Indicators, such as GDP or Gross National Product (GNP), do not consider less quantifiable contributions. In addition, the issue normally has concentrated on equality and ignored efficiency and has not been properly

²²The U.S. is involved in five other collective defense arrangements besides NATO: the ANZUS Treaty, the Philippine Treaty, the Japanese Treaty, the Republic of Korea Treaty, and the Rio Treaty. The arrangements involve a Total of 43 other nations.

²³Bolkcom, p. 11.

divided into macro and micro approaches. Despite this fact, the purpose of NATO has remained relatively constant since its creation.

U.S. foreign policy vis-a-vis the Soviet Union can be summed in one word: containment. The containment theory, as stated by its author George Kennan, argues that the primary source of political power is economic strength and the largest military threat to peace in the world comes from the domination of one or a coalition of the five major post-war industrial powers (China, Europe, Japan, the Soviet Union, and the United States) over the others. Kennan's containment theory assumes that a threat to one of the free-world countries is a threat to the others.

Problems in the containment theory and NATO often derived from different perception of threat. Due to the allies inability to agree on a definition of the threat (thus the varying willingness to dedicate resources) the European countries, Japan, and the United States have had different strategies to counter it. In sum, national interest is interpreted differently.

This situation has intensified for the allies because of Mikhail Gorbachev, perestroika, and the amazing resolution of the people behind the former Iron Curtain. More than any other time since the conception of Containment, the answer to the question of threat is cloudy. Many, especially Europeans, no longer see a military threat in the Soviet Union and the Warsaw Pact. That is not to say they do not see a threat. Rather, the threat has changed and, with the change, many feel there is a need to rethink the concept "containment." To provide a comprehensive structure that provides for NATO members', specifically the United States', national security interests in view of the

changes that have taken place in the Soviet Union and Eastern Union, an analysis of the impact of these recent changes is necessary.

III. ANALYSIS OF THE CHANGES IN EASTERN EUROPE AND THE SOVIET UNION

A. INTRODUCTION

European Marxists had reassured themselves that it was they with whom history had sided in the evolution of economic and political systems. The industrial revolution was to have produced political and social revolution. In this process, Marxists envisioned workers turning into socialists who would then harness their power for social good. Through Leninist and Marxist philosophy, communists found the vehicle to take and then maintain control over conquered Eastern European and Russian regimes. However, after more than seven decades, the communists had failed to deliver the promise which Marx had guaranteed.

In the USSR up to the tenure of Khrushchev, the Soviet communist system provided a sense of stability and order that allowed a measure of success. Soviet citizens endured the continued sacrifice during this period because they had no choice under severe state control. They were also influenced by Soviet propaganda which belittled Western capitalism for its record of roller coaster successes and depression and its acceptance of unemployment. Soviet propaganda was also able to use people's fear of the remaining pockets of fascism to repress discontent.

By the 1970s however, the Soviet Union began to show signs of economic and social deterioration. Citizens began to show signs of major discontent over food and other consumer product shortages. Many did not remember

the hardship of pre-communism; they only knew of the hardship within communism. Compounding the growing general discontent was the growing dissident movement and refuseniks and the isolation of the aging leaders from average citizens. Only the enthusiasm of the converts in the Third World and continued military confrontations with the West provided the Soviet ideology with a *raison d'être*.²⁴

Of course there are many examples showing that the people of Eastern Europe never had faith in the totalitarian system imposed upon them. The revolutions in Hungary in the autumn of 1956 and Czechoslovakia in the spring and summer 1968 revealed the extent that Eastern Europeans never internalized the Soviet system as their own.

Schopflin argues that the final communist system practiced in the Soviet Union and Eastern Europe had "next to nothing in common with socialism as this was defined in the West."²⁵ The communist regimes did not replace capitalism with social justice, equality, citizen based decision-making and shared productivity but with state control. The communists used politics for an ideological goal, subjugating all other spheres of society (economy, social, etc.,) in its attempt to construct a new society.²⁶

This communist system for government is comparable to the "Metternich System" imposed on central Europe after the Napoleonic wars.

²⁴Michael Howard, "The Springtime of Nations," *Foreign Affairs*, pp. 17-32, v. 69, no. 1, 1990, pp. 18-19.

²⁵ George Schopflin, "The End of Communism in Eastern Europe," *International Affairs*, pp. 3-16, v. 66, no. 1, January 1990, p. 3-4.

²⁶*Ibid*, p. 4.

Austrian Prince Klemens von Metternich also despised liberal concepts of popular elections and had faith only in reactionary autocratic governments. The Metternich System used rigid censorship, manipulation, repressive measures, elaborate espionage and surveillance, to suppress the ideals of constitutional rule and nationalist aspirations that were prevalent during and after the Napoleonic wars.²⁷

One may then assume 1848 returned in 1989, only this time, it was the communists who were the old regimes. Instead of achieving its goal of producing the "socialist man," communist state-control regimes produced citizens convinced of this system's bankruptcy.

History is not merely cycling through; 1989 is not 1848. The revolutionists in 1848 were more politically naive and less aware of the problems that lay ahead. The 1848 revolutions did not have leaders with the strength of Lech Walesa, Vaclav Havel and Mikhail Gorbachev. The 1848 revolutionary coalitions proved to be less complete and fell apart quickly. Hopefully, the final difference will be that, unlike 1848, the revolutions of 1989 will succeed.

Howard argues that one lesson of 1848 in Europe (and 1789 in France), is that during extended periods of peace, (1763 to 1789, 1815 to 1848 and 1945 to 1989) economic and social development become especially important factors in politics. If those who govern do not respond to the citizens' sensitivity of

²⁷William L. Langer, ed., *An Encyclopedia of World History*, Houghton Mifflin, 1972, p. 717 & 718.

these factors, "they will sooner or later be swept away."²⁸ It is ironic that one of the best explanations of this process was from Karl Marx.

Schroeder states that the lesson to learn from 1848 is in the manner other countries responded to the Austrian Empire, where the revolutionary movement started. After the revolution took hold and democracy was emerging in the Austrian Empire, the rest of Europe tended to ignore Austria's problems associated with its transition from a monarchy to self-determining constitutional states. Many other Europeans saw Austria's problems as a blessing; a weak Austria would not interfere with the success of the other revolutions. What passed for diplomacy toward Austria in 1848 was "Micawberism," the doctrine of muddling through, hoping solutions would appear. Ultimately, it was the lack of recognition of a natural connection between the countries in Europe that proved fatal and ended the revolutions of 1848.²⁹

Yesterday's Austria in its influence in Europe is today's Soviet Union as the center of revolutionary events. The differences in the two powers greatly outweigh the similarities. However, taking the fate of Austria in the later half of the 19th century, it is reasonable to ask if the West is again using Micawberite diplomacy. Though 1989 was not 1848, the reason to refer back to

²⁸Howard, p.18.

²⁹Paul Schroeder, "1848 and 1989: The Perils and Profits of Historical Comparisons," paper presented at the "Helsinki II and the Future of Europe Conference", Woodrow Wilson Center, Washington D.C., 23-24 April 1990, p. 1-12.

history in this case is not to look for a "usable past" but an "unusable future."³⁰

"If 1989 was the year of sweeping away, 1990 must become the year of building anew."³¹ The emerging democracies in East and Central Europe are now attempting to rebuild their societies from the rubble left by the former regimes. There are three basic goals the new countries will try to meet: Establishing new democratic political systems, arranging new security, and reforming their economies.

B. BASIC GOALS OF THE EMERGING DEMOCRACIES IN EAST EUROPE

In order to endure, the revolutionaries must respond to the peoples' demands for political democracy through fair and free elections that establish open governments. The new system must ensure continued respect for the individual's fundamental rights and liberties. "Governments based on the consent of the governed are the first requirement for an enduring peace in Europe."³² The revolution must move from rhetoric in the streets to that of governing.

³⁰Ibid, pp. 3-4.

³¹James A. Baker, "Imperatives of Economic Reform: Change in Soviet and East European Economies," prepared statement before the U.S. House of Representatives House Ways and Means Committee, Washington, D.C., 18 April 1990, *United States Department of State, Bureau of Public Affairs, Current Policy* no. 1270, p. 7.

³²James A. Baker, "From Revolution to Democracy: Central and Eastern Europe in the New Europe," prepared address at Charles University, Prague, Czechoslovakia, 7 February 1990, *United States Department of State, Bureau of Public Affairs, Current Policy* no. 1248, p.2.

The Communist regimes never learned that security through a government accountable to the people's will is a stronger weapon than repression and violence. Soviet President Gorbachev seems to have understood the need for people to feel that their government was accountable to them for some time and there is evidence he stressed this in discussions with the other leaders in the Warsaw Pact. At the annual Warsaw pact summit in Bucharest on 7 July 1989, for example, Gorbachev asked his allies to be tolerant of reforms and to search for solutions based on their countries individual needs.³³

So far, the German Democratic Republic and Hungary have held what are considered by most Western nations, including the United States, fair and free elections. By June 1990, when Hungary forms its new government, the GDR and Hungary will have coalition governments controlled by noncommunists. Only in Romania did conservatives brake the string of victories for the revolutionaries. Former communists remain in power in that country after the victory in the May 1990 election of the National Salvation Front. The National Salvation front is dominated by former communists and has run the country since the fall of Ceausescu. Although the United States delegation monitoring the election proclaimed the Romanian elections valid, there remains doubt about how much intimidation the citizens were under. Parliamentary and local election have been scheduled for Poland, Czechoslovakia and Bulgaria within the next two months.

³³Ibid.

The second goal for the emerging democracies will be to provide for enduring security. Previously Eastern European regimes depended on assistance from the Soviet military for their nations' external security while they personally maintained large national internal security forces to control their citizens. Today, however, the Warsaw Treaty Organization (WTO) nations largely do not desire dependence on the Soviet Union for external security and are either eliminating or reforming their formerly dreaded internal Security forces. All of the former satellites with Soviet troops within their borders, with the exception of Poland, have begun negotiations for Soviet troop withdraw. With Soviet troops gone from Eastern Europe and uncertainties remaining in those countries (ethnic unrest, questions on Germany, etc.) a new Europe will have to construct new security arrangements that remove the threat of military aggression and intimidation, and nurtures peace. Military arrangements must keep up with political changes, and legitimate governments through free and open elections will reinforce the new security arrangements.

The third goal is the most important: dismantling the centralized Communist economies in Eastern Europe and moving toward market-based economies. Measures to promote economic vitality are necessary to avoid instability. This goal may prove to be the most trying for the people of East Europe; they face the task of regenerating societies ruined by half a century of totalitarian rule. Involved in the economic regeneration is environmental regeneration, also damaged by the mismanagement of central planners.

C FACTORS COMPLICATING THE TRANSITION

Implementation of the goals presented may be broken down into short, mid and long range criteria. Regardless, the path to the goals will be difficult. Implementation of the three goals will be complicated by five factors: The dual political-economic aspect of the transition, popular expectations, lack of democratic tradition, relations with ethnic-minorities, and economic development problems.³⁴

The East European countries will have to simultaneously change their political and economic systems. This is unprecedented in modern times. After World War II, the Western European countries may have had to rebuild destroyed economies; however, they had the basic talents to manage an economic recovery. Even in modern day Latin America, the political systems matured prior to developing market-based economies.³⁵ The emerging Eastern European democracies, however, will have to make political and economic changes jointly. The lack of experience in both running democratically elected governments and market-based economies makes the achievement of any of the goals very difficult.

The new governments, while building modern democracies, will have to cope with public opinion. Public opinion in East and Central Europe appears

³⁴ Stephen F. Larrabee, Distinguished Scholar, Institute for East-West Security Studies, New York, "Democratization and Change in Eastern Europe," paper presented at the "Helsinki II and the Future of Europe Conference", Woodrow Wilson Center, Washington D.C., 23-24 April 1990, pp. 1-8.

³⁵Ibid, p. 1.

to expect a great deal of change in their standards of living quickly. The public's attitude, now that totalitarianism is dead, that their lives will improve significantly, is unrealistic in the short range. Having spent over 40 years sacrificing and still having a lower standard of living than the rest of Europe, Eastern Europeans do not appear willing to give the new governments a honeymoon period.

True economic reforms will require that people, coddled in socialism all their lives, will have to face the realities involved in a market economy. Therefore, unproductive factories will have to close, people in unproductive jobs will have to find new ones, and prices will go up. The people of Eastern Europe may not be prepared to risk the low prices and guaranteed jobs that state-controlled economy provides for the opportunities of a market-based economy.

"The gap between rising popular expectations and declining living standards will pose a severe test for fragile democratic governments with little experience in dealing with the vagaries of the market."³⁶ The paradox is that political sensitivity on the part of elected officials to public demand of immediate gratification endangers long-range recovery. However, if the leaders fail to meet public expectations they will lose the support needed to remain legitimate, which raises the risk of popular unrest.

The East German situation, in terms of ability to meet immediate gratification, is different from the rest of the WTO nations. East Germany will not need to rebuild a new government, but will eventually be

³⁶Ibid, p. 2.

incorporated into wealthy West Germany. Still, elected officials in the united Germany will be dealing, not only with East Germans' expectations, but with West Germans' concerns. Even with the Marshall Plan and skilled politicians such as Konrad Adenauer and Ludwig Erhardt, it still took West Germany approximately 10 years to reach a convertible currency after World War II. Yet, East Germans, seem to expect quick relief from their inferior living standards. Based on the election results of March 1990, the East Germans perceived that the Christian Democrats were more likely to conduct German reunification quicker (thus, in their eyes, providing a better living standard) than the Social Democrats. However, the Christian Democrats, being more politically conservative than the liberal Social Democrats, also are less likely to ensure that the cradle-to-grave welfare benefits, such as full medical care, inexpensive housing and secure pensions will be preserved in a united Germany. At the same time, West Germans will have a growing concern that, while reunification may provide the immediate gratification for East Germans, it will be at West Germans' expense.

The third problem facing all the emerging democracies is the lack of a democratic tradition. Between World War I and II, Bulgaria, Hungary, Poland and Romania were under authoritarian rule. The democracies that sprung up after World War II were quickly destroyed by Communists. Czechoslovakia has the longest tradition of democracy of all the WTO nations, yet it was still suppressed by the communists. Having existed under the domination of the Soviet-type system, the democratic process is largely unknown by most in East and Central Europe.

The Soviet-type system was based on the elimination of political and economic alternatives in society. Especially during the Stalinist period, there was massive uprooting and elimination of the interwoven network of social groups (judicial, managerial, educators, etc.) needed for a thriving society. Rewards in this society were based on allegiance to ideology, not on productivity. Ultimately, this homogeneity of thought imposed by the system and the subjugation of all spheres in society into the political sphere destroyed their citizens' perceptions of what constitutes national interests. "To undo the effects of this [the communist system] and to create conditions for the recognition of interests will take time and will require particular mechanisms."³⁷

The strongest example of recovery to these problems is found in Poland and Hungary. Solidarity in Poland has been a strong organization for several years with grass roots legitimacy and recognized leaders. Total support may be difficult to continue now that Solidarity has moved from being a movement to a political party in power, having to compete with other parties. Yet, Poles still identify their successes with Solidarity and, therefore, will more than likely provide the government the benefit of the doubt as it transforms. With the support of the Catholic Church, Solidarity has established itself as the voice of the Poland.³⁸

Hungary has had a recent history of allowing organizations of dissent within the Communist Party. By 1986, there were pockets of organized

³⁷Schopflin, p. 11.

³⁸Howard, p. 22.

criticism, especially from intellectuals, within the Hungarian Socialist Worker's (Communist) Party (HSWP). By May 1988, party members were largely dissatisfied with HSWP General Secretary Janos Kadar because he refused to acknowledge that Hungary was in the midst of a crisis and the need for drastic reform. On 24 June, the HSWP Central Committee established a 4-member collective Presidium headed by reformist Minister of State Rezso Nyers. By the autumn of 1988, politicians with even more reforms in mind began to move to fill the political vacuum being created and the Hungarian Communist Party met competition. By the time the Communist Party dissolved, radical factions already had some governing experience.³⁹

In Bulgaria, although President and Party Chairman Todor I. Zhivkov (the longest serving Communist-bloc leader) was deposed in November 1989 and replaced by moderate communist, Petar T. Mladenov as President, it remains to be seen if the Communist Party is truly willing to allow a democratic process. The current government of former communist won the first round of the parliamentary and local elections on 10 June (runoff elections are scheduled for 17 June). Major concerns for future elections relate to equal access for opposition groups to the media, dismissal of opposition activists from state employment and election related secret police activities.⁴⁰

³⁹Schopflin, p. 7-8.

⁴⁰Baker, "Imperatives of Economic Reform: Change in Soviet and East European Economies," p. 7.

Romania recently showed that opening the political environment without establishing democratic institutions and principles can result in a resurgence of historic ethnic animosities. Romanians and ethnic Hungarians have killed each other over the issue of minority rights.⁴¹

The fourth equally important problem is that of the ethnic-minority problems all the countries face, except Poland. Eastern and Central Europe has a long history of ethnic nationalism and animosities. Most ethnic minorities in Central and Eastern Europe resent the majority because of a perceived unbalanced distribution of wealth and power or cultural repression. In addition, most ethnic minorities maintain strong cultural bonds. Therefore, East and Central Europe never experience a melting pot affect which many claim occurred in the United States. Since the Soviet-type system suppressed all spheres of society, ethnic-minority frustrations were suppressed but not resolved. With the opening of the societies reemerges minority demands. The problems with Turks in Bulgaria, Slovaks in Czechoslovakia, Hungarians in Romania have proven to be the most volatile. Gorbachev's Glasnost has proven that as the disaffected minorities are allowed to express their grievances and aspirations and as the majority reacts, governments run a great risk of insecurity.

Czechoslovakia is an example where ethnic problems run the risk of sabotaging the democratic future of East and Central Europe. In what began as a routine legislative move in April to drop the official name of Czechoslovakia, triggered a resurgence of Slovak nationalism. Czech

⁴¹Ibid.

legislators wanted Czechoslovak Federal Republic as the new name; Slovaks wanted it to be Czech-Slovak Republic, insisting on the hyphen to emphasize the separate and distinct status of their region. The final compromise, a hyphen in Slovakia and no hyphen in the Czech territories, sparked mass demonstrations in the Slovak capital of Bratislava. Many Slovaks are now demanding total autonomy.⁴²

Solutions to the ethnic problems are hard to determine and even harder to carry out. The problems are hard to determine since some of them are based purely on ignorance or prejudice. Just as in the United States, a means of combating prejudice may be via, political, judicial and educational channels. Since most of the animosities have been existence decades or even centuries, it will be difficult to get minorities and the majorities to agreed on long-held grievances. The first steps to carrying out unity seems to be to include all groups in each Eastern European country's democratizing process. At the same time, economic reforms should be set to benefit all in society. Animosity may only increase if the economic transitions are seen to benefit only majority groups at the expense of ethnic minorities. Greater autonomy, for example in the case of Czechoslovakia, may be part of the solution and a direct extension of the democratizing process.

Complicating all other problems facing East and Central Europe is their devastated economies. As stated earlier, subjugation of the economies under politics resulted in economic decisions based on political criteria.

⁴²Jonathan C. Randal, "Prague Name-Changing Feud Stirs Slovak Nationalism," *The Washington Post*, 5 April 1990, A30.

Soviet-type economies were, in the final analysis, concerned not with matching supply and demand, but with administering inputs and outputs; in other words, the economy was detached from the consumer and producer, and non-economic criteria were frequently used to distort economic rationality.⁴³

Thus, state planning leaned toward a simplified industrial structure making Eastern Europe less and less competitive with the world market.

Although desire to dismantle the centralized Communist economic system can be found throughout all the emerging democracies in Eastern Europe, the attributes of socialism of life-long employment security and equal incomes across most of society retain strong support.⁴⁴ The Poles and Hungarians have gone the furthest in giving up the notion of equality for all and have paved the way for other WTO nations to achieve a market-based economy.

As a whole, since the 1980s, the national economies of the Warsaw Pact countries grew at an average rate of one percent a year, or less than one-third the rate for East Europe in the 1960s and 1970s. As a whole, Eastern Europe produces 5.8 percent of the world GNP of \$18.65 trillion, while the Soviet Union 13.6 percent, Western Europe 21.8 percent, and the United States 26.1 percent.

Each country has differed in response to the objective of economic reform. Hungary, Poland and Czechoslovakia appear to be headed to complete market-based economies. Bulgaria and Romania, however, have

⁴³Schopflin, p.5.

⁴⁴Ibid.

not yet abandoned most government planning as the principle means of allocating resources.

Poland's Solidarity-led government has begun a dynamic economic program and has gone the furthest in forming a free market. The Western media is calling Poland's process to capitalism the "cold turkey" or "shock therapy" approach. Selling of state-controlled enterprises has begun, with those unable to attract buyers facing the possibility of closure. As of 1 January, the Polish Government ended price controls and subsidies. Poland is already experiencing growing pains in this quick transition process. Unemployment may reach five percent by the end of the year and there are growing disparities in income. Layoffs are becoming legal and price controls are being eliminated. Poland's inflation rate has increase to over 50 percent a month. Industrial production fell in February by nearly 30 percent compared to a year ago. Real income has plunged 37 percent. The Polish government estimated that prices rose 24 percent in February, after rising 78 percent in January.⁵

Foreign aid investment from West Europe, Japan and the United States will hopefully help in controlling the downward cycle, produce results and avoid social unrest. Poles appear to still support the government's bold initiative, but there are growing signs of concern from all segments of society.⁶

⁴⁵Blaine Harden, "Poland Hit by Severe Recession," *The Washington Post*, 17 March 1990, A1.

⁴⁶Ibid.

Hungary has had more of a tradition of entrepreneurialism than the other East European countries; It began to adopt market-based policies in the 1980s. Today 25 percent of Hungary's economy is in the hands of the private sector and it has a form of a stock market. Selling off the remainder of the state enterprises does not have the same urgencies as in Poland and the Government has attempted to simulate market-based conditions in the state-controlled enterprises. Hungary has, so far, stuck with the economic reform program devised by the transitional government under Premier Nemeth which slashed the deficit by cutting producer and consumer subsidies, trimming defense expenditures and raised rent and taxes.

An example of simulating market conditions in state-controlled enterprises in Hungary is that managers are employee elected (to simulate shareholders). Many managers today bargain production targets, price levels, capital investment and material purchases with the Government. Profit-seeking cooperatives with autonomy to market their own goods have sprung up throughout the country. Hungarian citizens are allowed to form private companies (with no more than 500 employees), with limitations. Hungary has sought out Western companies as joint venture partners and has even sold state enterprises to foreign companies or to Hungarian managers (similar to Capitalist-type leveraged buy-outs). However, financing remains a very large obstacle to privatizations. The banks are still controlled by the government; thus bureaucrats, not bankers decide who get the loans. A significant stumbling block is that most money goes to pay off Hungary's

foreign debt of close to \$20 billion foreign debt, the largest debt in the Eastern bloc.⁴⁷

East Germany, with a population of approximately 17 million is the wealthiest Warsaw Pact nation with a comparatively well-educated and disciplined workers. Its special relationship with West Germany (population over 57 million) provides a dedicated mentor on its path to economic recovery. Most state-run enterprises fail to provide sufficient profit and require significant subsidies. This led to a \$70 billion budget deficit in 1988. Investment was sharply cut in the 1980s to preserve cash needed partially to pay back the \$20 billion foreign debt.⁴⁸ West Germany businesses, already the leading trading partner with previously communist-run Europe, are coming into East Germany in large numbers hoping to build factories, form joint ventures and market products in East Germany.

There will be much competition within West Germany and the world to participate in East Germans' recovery. In addition, "Most of the factories are old, with outmoded equipment, and they're not able to produce competitive goods. Many of these factories will have to be rebuilt from the ground up."⁴⁹

Massive foreign capital investment is expected to flow into East Germany in the 1990s. Low wages for a skilled and disciplined force make investment attractive. In addition, East Germany is seen by many businesses as the

⁴⁷Louis Uchitelle, "East Europe Ties Mild Capitalism," *The New York Times*, 11 December 1989, p. C6.

⁴⁸Ibid.

⁴⁹Steven Greenhouse, "German Businesses Racing toward Unity," *The New York Times*, 15 March 1990, p. C1.

window to the Eastern Bloc and can serve as a training ground for businesses wanting to do business with the emerging democracies. Plans for unification with West Germany ultimately makes investment into East Germany attractive.

Public opinion in Czechoslovakia on economic reform foretells the problems facing economic recovery. According to a poll taken shortly after the the overthrow of the Communist regime, 47 percent of Czechoslovaks wanted their economy to remain state controlled. Only three percent wanted capitalism.⁵⁰

Fortunately for Czechoslovakia, inflation is not as big a problem as in the rest of Eastern Europe. However, unemployment may prove to be a problem if Czechoslovakia makes the step to market-based economy. Most of the work force is employed in industry which, like the rest of East Europe, has fallen behind in technology and competitiveness.

Bulgaria's and Romania's economies are the worst of the Warsaw Pact nations. Prospects of economic reforms are also more problematic because of former Communists largely remaining in control of the economy. Central planning is still the practice in Bulgaria. Romania's economy was completely devastated by the Ceausescu regime. The regime repaid the entire \$10 billion foreign debt at the expense of causing the country to literally go bankrupt and force severe food rations.

Analyzing the developments and problems of each country in the Warsaw Pact leads one to understand that each of the counties are separate

⁵⁰Ibid, p. C6.

and distinct. Prior to World War II, Poland, Hungary and Czechoslovakia were considered part of Central Europe. Romania and Bulgaria, on the other hand, had been viewed as a part of the Balkans and not integral parts of Europe.

Larabee claims that in the 1990s, these historical differentiations will return. Hungary, Poland and Czechoslovakia are expected to complete the transition to democracy and return to Europe proper. These countries will have the closest ties with the rest of Europe via the European Community (EC) and other established Western institutions. In the long-range, it is not far-fetched to expect these three countries to be a part of the EC and European parliament.

The Balkan states present a problem. Romania and Bulgaria run the highest risk of political and economic instability, which may result in social instability. It is also in these states that the ethnic minority problems are worst. This instability in the Balkans threatens its neighbors.

D. POLITICAL FUTURE OF EASTERN EUROPE

The Director of Central Intelligence, William H. Webster, acknowledges the changes in Eastern Europe are irreversible. "Perhaps most important, there is little chance that Soviet Hegemony could be restored in Eastern Europe."⁵¹ It appears that the reactionary forces generally appear too weak and discredited to regain power in Czechoslovakia, East Germany, Hungary and

⁵¹William H. Webster, *Statement by the Director of the Central Intelligence Agency Before the Armed Services Committee, House of Representatives*, 1 March 1990, p. 2.

Poland. In these countries, the armed forces and secret police have become unreliable as instruments of repression.

The prospects for democracy are more uncertain for the Balkan states of Bulgaria and Romania. In these countries, democracy has had few antecedents, economic and ethnic tensions are severe, and former communists from the old regimes remain in power. Reform setbacks may occur in the emerging democracies.

The revolutions of 1989 have undermined the cold war severely. They have severely weakened the the appeal of international communism as a political force. There is now a determined move toward political, economic and social integration with West Europe, especially in Czechoslovakia, Hungary, and Poland. East Germany will almost certainly become a part of Western Europe when it eventually unites with West Germany. However, the overthrow of tyranny and desire to integrate with the rest of Europe does not guarantee the establishment of a stable and democratic condition.

Another factor to consider for all but East Germany (due to being integrated into West Germany) is the role the armies will play in the new government. The armies previously were an integral part of the party and controlled the security agenda for each country, under the guidance of the Soviet Union. As the result of the loss of long-standing stature and prestige within the governments, no longer remaining a priority for resources, and the loss of the shield from the publics' doubts about its value, the armies response to change is still uncertain.

Poland and Hungary are certainly on the road to a full market-based economy. Regardless of the intentions of the of policy makers however, it

appears that full privatization may go slowly in most of East Europe. Brada states that there is an imbalance between capital stock and liquid savings in these countries. In addition, the domestic financial systems in most of East Europe are not capable of financing purchases of state-controlled properties. Hungary may be an exception. Small privately owned businesses have the potential of flourishing but public services (communications, transportation, energy) will likely be retained by the state.⁵²

Reformers are hesitant to completely free prices and wages for fear of creating excessive inflation and unacceptable levels of unemployment. Of course they must be sensitive to public expectations; however, if the market is not allowed to set the standards for price and wage, information distortion will occur. Thus, the the East European market will not be provided the best information for recovery.

An important requirement for the complete success of the economic transformation will be the establishment of capital markets. The conversion of centrally-controlled enterprises will not in itself guarantee the creation of efficient equity or credit markets. Brada claims that, more likely, the new joint stock enterprises will be closely held in large blocs. If that is the case, valuing the shares of the emerging companies through an efficient equities market will have the similar problems experienced in market economies

⁵²Josef C. Brada, Department of Economics, Arizona State University, "West European Economic Integration and East European Disintegration: Managing the Transition to a New Phase of European Economic Relations," paper presented at the "Helsinki II and the Future of Europe Conference", Woodrow Wilson Center, Washington D.C., 23-24 April 1990, pp. 3-4.

where the stock value of closely held firms (for example family owned firms) must be determined. Therefore, Brada predicts:

Even in the most reform minded of the economies of Eastern Europe, the role of the state as an allocator of resources, and especially of investment resources, as well as owner of industrial enterprises will remain an important if not dominant feature of the economic mechanism. At the same time market generated signals will be weak, contain much noise, and will also be subject to considerable misinterpretation by economies unaccustomed to functioning in a market environment.⁵³

E. COMECON AND ECONOMIC CONSIDERATIONS

The main instrument of Soviet economic imperialism in Eastern Europe was the Council for Mutual Economic Assistance (COMECON) whose principle of "internationalist socialist division of labor" was an attempt to coordinate communist-bloc nations' economies.⁵⁴ As the Warsaw Pact countries turn their back on the Soviet-style economies, they face a problem of how to transition their economies away from COMECON. Currently, between 40 and 80 percent of the Warsaw Pact nations' trade is within COMECON. If COMECON is disbanded, redirection of trade will be difficult and expensive in the short-range.

Another consideration is that Warsaw Pact countries are dependent on subsidized energy from the Soviet Union and pay for it with currency that is not convertible into market-based currencies. If for no other reason than to

⁵³Ibid, p. 5.

⁵⁴Langer, p. 1167-1168, & 1204.

continue the trade of energy, COMECON will continue to exist in the mid-range.

The first steps in long-range solutions to the devastated economies occurred at the 46th COMECON session in December 1989. The members agreed to begin trading in convertible currencies in 1991. Many of the members felt this was largely at the Soviets' advantage since they were the exporters of energy. Since the trade of energy will be conducted at convertible currency, there will be pressure to discontinue the subsidizing by the Soviets and energy prices are expected to rise considerably. Therefore, East European countries are expected to start running a large trade deficit with the Soviet Union after 1991 if a means to ease the transition is not found.

One possible transition methods could be the Soviets allowing a grace period in ending the subsidization of energy or consider the deficit is considered aid. Considering the Soviets' own economic deterioration, however, Gorbachev may push for western aid to assist the East European countries as the primary transition method. Possibly in reference to this situation, Czechoslovak president Vaclav Havel stated, in front of a joint session of the United States Congress on 21 February 1991, the best way the United States could help his country was to help the Soviet Union.⁵⁵

A long-range alternative to COMECON is "subregional cooperation."⁵⁶ Czechoslovakia, Poland, Hungary and the GDR have discussed a Central

⁵⁵*The New York Times*, "Excerpts From Czech Chief's Address to Congress," 22 February 1990, A8.

⁵⁶Larabee, p. 6.

European Economic Federation. Hungary, Italy, Yugoslavia and Austria met in November to discuss economic cooperation within their region.

Most East European leaders seem to see the long-range answer to solving their enormous economic problems is involvement in the EC. Poland, Hungary and Czechoslovakia have already signed trade agreements with the EC. Of course East Europe's desire to participate in the EC gives West Europe more problems which will be discussed later.

It is clear now that the democratizing process in the European Communist Bloc occurred with the support of the Gorbachev. President Gorbachev recommended the Communist leaders in Poland to start talks with Solidarity. He also warned East Germany's Honecker and Czechoslovakia's Jakes of the consequences of resisting the reform movement. It also was Gorbachev who first advised Krenz to open East Germany's borders. In the the end, the finest assistance the Soviet Union provided the people of East Europe was to keep its troops in their barracks and to renounce the Brezhnev Doctrine. Gorbachev's support for democratization eventually ended at the Baltics. The changes in East Europe are undoubtedly important, but, the most important changes have occurred in the Soviet Union. Gorbachev, more than any other individual in these times, is the one changing the world.

F. ANALYSIS OF CHANGES IN THE SOVIET UNION

President Gorbachev's initiation of *perestroika*, political and economic restructuring, *glasnost*, increased openness, and *novoe mishlenie*, new thinking have proven to be a true revolution. The changes Gorbachev has sought in the Soviet structure are:

- A presidency with wide-ranging powers;
- A Supreme Soviet that would enact laws and decrees much like the U.S. Congress;
- A Politburo and Central Committee that would agree to radical reforms;
- A bureaucracy that would implement, rather than obstruct, reform; and
- Public opinion support of the necessary changes

Reasons for perestroika developed before Gorbachev came to power. State-control appeared to industrialize the Soviet Union quickly after World War II, albeit at great human cost. By the 1970s, though, the Soviets identified fundamental problems in their economy. President Yuri Andropov began the reform which was passed on to Gorbachev. A combination of five factors have caused perestroika: A sharp drop in the economic growth, the declining position of the Soviet Union in the world economy, the military burden of the economic failure, the emergence of growing public dissatisfaction, and the emergence of a new leadership.⁵⁷

The growth rate of the Soviet economy fell from five percent in the late 1960s to 1.8 percent in the late 1980s. McGwire states the primary reason for the drop in the growth rate was the Soviets' inability to move from "extensive" to "intensive" development. Extensive development achieves growth through increasing input volume to production, such as raw material, labor, and capital. Intensive development achieves growth by increasing the productivity instead of the volume of the different factors of production. Extensive development, which was successfully relied upon for 20 years after World War II, no longer was successful because the factors

⁵⁷Baker, "Imperatives of Economic Reform: Change in Soviet and East European Economies," p. 2.

which make up the volume to production, especially labor, had reached its limit. However, the Soviets had not moved on to intensive development. Thus, economists determined that far too much effort had been place on expanding the economic base and not enough on continually modernizing.⁵⁸

Instead of catching up and surpassing the economies of the West, as Marxist-Leninist ideology boasted, the Soviet economy, fell further behind the developed Western economies after World War II. Even emerging industrial nations, such as those in Asia (Japan, South Korea, Taiwan, etc.) surpassed The Soviet Unions' ability to progress. The Soviets' international trading position became in jeopardy. By the 1980s, in fact, the Soviets began relying more and more on the export of raw materials and products from Eastern Europe.⁵⁹

Prior to Gorbachev, the Soviet Union placed a high priority on military power and relied on this power to influence foreign policy. The cost of Soviet military power grew rapidly in the 1970s and Soviet leaders did not hesitate to siphon off an even greater share of civilian resources. As the economy fell, the military burden grew. In fact, the growing burden was damaging the economy's ability to recover. Military expenditure grew from 12 to 14 percent

⁵⁸Michael MccGwire, "Perestroika and Soviet National Security - VII: Gorbachev Assumes Command, 1987-88," paper presented to the Brookings Institute, December 1989, p. 4.

⁵⁹Baker, "Imperatives of Economic Reform: Change in Soviet and East European Economies," p. 2.

of the gross national product (GNP) in 1970 to 15-17 percent by 1985.⁶⁰ Because the economy was slipping, growth in Soviet military technology also fell further behind the West and reduced military capabilities.

Communist propaganda had always claimed that the party gained its legitimacy over the Soviet people via historical destiny and from the proposition that it was the legacy of the communist revolution. In addition the party argued that it was the most logical and efficient force in society, representing the finest elements of the the progressive tradition. By the mid-1970s, public confidence in the communist political-economic system was nearly gone.

The working class, moderately secure with the minimal universal welfare safety net, developed a minimum effort for minimum reward ethos. The black marketers became essential for the functioning of the official economy. Finally, stubborn, unrepentant groups of dissidents made demands against the government. Exile and repression of the dissidents, some of Soviet Unions' best talent, created heroes for the ordinary citizens and sapped much creativity out of the official society. Culture was driven underground or abroad. People were left with only an awareness of the repressiveness of life.⁶¹

⁶⁰Figures come from CIA reports to the Joint Economic Committee, U.S. Congress, *Allocation of Resources in the Soviet Union and China*, 1986 , U.S. Government Printing Office, 1988, p. 15. Figures on Soviet military portion of USSR GNP are highly speculative since Soviets do not distribute exact figures and very controversial.

⁶¹Z, "To the Stalin Mausoleum, *Daedalus*, p. 295-344, v. 119, no. 1, Winter 1990, p. 321.

At the height of Soviet international power, in the 1970s and early 1980s, the Kremlin was controlled by old men, stuck in ideological malaise and isolated from the people. Even before going beyond Andropov's scheme to reform the Soviet Union, Gorbachev replaced the corrupt bureaucrats of the Brezhnev era and succeeded in controlling the old militarist of the Red Army. He attempted to replace old bureaucrats with communists who understood that the Soviet engine required more than minor adjustments.

President Andropov initiated the perestroika process by implementing the shift from extensive to intensive development. The key difference with Andropov's economic reform from all other previous Soviet attempts was that he encouraged discussion and debate about the economy. He also attempted to combat economic inefficiency by attacking mismanagement and corruption. The GDR and its perceived economic efficiency was looked at as a communist model of the future. After his death, the coalition he organized, which included Gorbachev as its most prominent member, continued with the effort during Chernenko's reign.

When Gorbachev initiated perestroika after being elected General Secretary in 1985, he intended it to be a controlled economic reform directed from above.⁶² It had a limited purpose of substantive economic development through prioritizing industrial modernization. This industrial modernization required the most advanced technology for all sectors of the economy. The economic redevelopment would also focus on the investment in equipment and machine tools. Included in his reform formula was a total

⁶²Ibid, p. 322-323.

regeneration of worker-discipline, emphasizing an anti-alcohol campaign, and a push for organizational quality-control and bureaucratic discipline throughout the economy. A major purpose of glasnost was to expose bureaucratic and managerial incompetence. Gorbachev's perestroika program also established higher growth targets. Finally, new decrees were established on wages and social benefits to deal with wage leveling and the lost link between performance and income.⁶³

The economy continued to stagnate by the end of 1986. In fact, economic planning based on higher but unrealized goals exacerbated imbalances and the extra investment proved useless without the market signals of prices and profits to provide direction for the allocation of capital. Gorbachev realized that his bureaucracy only paid lip-service to quality-control primarily because it interfered with meeting targets which provided bonuses. There was widespread public skepticism and distrust of the economic reforms.

It appears that in the summer of 1986 Gorbachev realized that more drastic action was necessary if he was to reverse the downward path of the economy. He especially was concerned with the public inertia toward economic reform and determined that the key to perestroika's success was to get his citizens to internalize the process. Gorbachev made a parable of the solution in January 1987, "a house can be put in order only by a person who feels he owns the house."⁶⁴ It was at this point Gorbachev started moving

⁶³Baker, "Imperatives of Economic Reform: Change in Soviet and East European Economies," p. 3.

⁶⁴Quoted from *Tass*, 27 January 1987, n FBIS-87-018, p., R17, in MccGwire.

beyond the plan initiated by Andropov. His solution was to democratize the perestroika process. Gorbachev told the people of Krasnodar on 18 September 1986, "the essence of perestroika ... is for people to feel they are the country's master."⁶⁵ Gorbachev depended on democratization to force attention to correct procedures and improve efficiency.

Still, democratization was not seen as the only key to perestroika's success. A major shift of resources from defense to the civilian economy was necessary. Thus, the Soviet withdrawal from Afghanistan is believed to have been perestroika induced. The January 1987 Party plenum was the turning point for the democratization of perestroika. It also resulted in the promulgation of the classified decision that the "military should develop plans based on the doctrinal assumption that world war could and would be averted by political means."⁶⁶

By 1989, the some Soviet reformers recognized the only way to save the Soviet Union from economic collapse was to turn to a market-based economy. They realized that only through the market would efficiency be achieved. Yet, the reformers failed to get the programs through the status quo.⁶⁷

The Soviet Union is still trying in 1990 to find a middle ground between complete reforms, leading to a market economy, and command planning.

⁶⁵Quoted from *Pravda*, 20 September 1986, in MccGwire.

⁶⁶MccGwire, p. 11.

⁶⁷Baker, "Imperatives of Economic Reform: Change in Soviet and East European Economies," p. 4.

Therefore, it is not surprising that the reforms, thus far, have not turned the economy around. In the first two months of 1990, incomes rose 14 to 15 percent, while production rose less than two percent. Efforts to raise fuel prices were protested by official trade unions and were rescinded by the government. The latest reform program, initiated in mid-March called for a transition to a "planned-market" economy. The reform package includes new laws on freedom of economic activity and the development of entrepreneurship, taxation in kind, indexation of incomes and reform of price structures and price increases.

Politically, perestroika has achieved its goals. It has broken the Communists' approximately seventy year constitutional guarantee on power and has created a legislative and executive branch with real power. Unfortunately, perestroika has compromised on its economic reforms. The major lesson to learn from perestroika are:

- The old Soviet model, typified by the Brezhnev regime, is totally discredited;
- Andropov's solution of moral discipline did not accomplish its goal of reform;
- The GDR-type of streamlining efficiency did not prove to be the model for communism;
- Compromised piecemeal reforms of the economy, especially in state-controlled enterprises and industrial organizations, will not be successful as long as they are operated by people who are hostile to private initiative, competition, markets, and profits; and
- For complete reform to occur, the Soviets must come up with a politically and economically comprehensive strategy.

Three comprehensive options are open for the Soviet Union. First, they can reform all at once, perhaps after some groundwork is laid out. This "Big Bang" strategy is the most radical and offers the highest risk. The second

strategy is to change gradually and sequentially with the hope that reforms will have a better opportunity to take hold. This approach runs the risk of being compromised by those afraid to reach the final objective of an open economy. In addition, the gradual approach destroys many of the old institutions without providing a complete outlet for reformers to take initiative. The last comprehensive option is for the Soviets to transform their society by sector. This option might offer congruence and stability. It also runs the risk of its goals being compromised by those accustomed to minimum effort for minimum reward. The last two options run the risk of losing confidence from people whose expectations are growing. Many believe that it is a desire for a comprehensive strategy that is behind Gorbachev's creation of a new and stronger presidency.

The logic of perestroika requires that Soviets themselves must comprehensively solve their own problems. Not only is the economic system to be reformed but, also the political, legal and social system. This is an approach never taken by the Soviets.

This self-reliant and radical approach to solving domestic problems has become even more important as the difficulties increase. Perestroika's challenges seem to grow with increasing consumer shortages, an unstable currency, and lack of economic incentives. However, Gorbachev has stayed with perestroika and he appears to be willing to invest more of his own leadership capital into the process.

Elements of the Marxist-Leninist ideology are incompatible with the decentralization and democratization in perestroika and will hinder overcoming the problems. The Soviets will eventually have to make new

political arrangements. In addition, perestroika goes beyond domestic reform to *novoe mishlenie*, new thinking, which includes new thinking on national interests and foreign affairs. Here too, perestroika offers radical changes.

For all the Soviet military expansion and efforts to establish troops throughout the world, the old model has not brought greater security nor lasting success. If anything, the previous thinking has provided the following conclusions:

- The military buildup by Brezhnev brought more insecurity instead of more security. Soviet actions, such as deployment of the SS-20s in Europe caused Western powers to respond with a greater commitment to military build-up;
- Military and political accomplishments, such as assistance in the Third World were at a great cost and short lived;
- The military buildup nearly bankrupted the economy;
- Regional conflicts have gotten out of control and have resulted in undesired confrontations. Worse unrest could follow; and
- Sound national security could be achieved only multilaterally, not unilaterally.⁶⁸

Gorbachev understood that the success of perestroika, especially after adding democratization, required a calm international environment and external economic assistance. While reaching a solution to achieve this, the new Soviet leadership came to realize that Brezhnev's long-sought total security was not only unattainable, but counterproductive.

The old Soviet model of defense was based on looking at the worse case of a protracted, global non-nuclear war simultaneously conducted against NATO, China, and Japan. Previous Soviet leaders concluded that fight

⁶⁸Ibid, p. 2.

under such circumstances for long. Under the assumption that there were no winners going nuclear, the previous Soviet leaders saw their only hope was in following Hitler's blitzkrieg strategy. Their plan was to drive through Europe within three weeks to a month, outflank and destroy the enemy and try to kill or capture the United States' force of 325,000 and their dependents in Europe. They could use their early success and hostages as bargaining chips to complete a war on favorable terms.⁶⁹

Compounding this military strategy was the realization that their economy was deteriorating and their military technology was falling further behind the West and Japan. Because of Soviets actions, NATO became stronger, not weaker. As each year in the cold war progressed, it became evident to Gorbachev that the USSR had very little chance of avoiding significant damage in a major military confrontation.

Gorbachev rebelled from the Soviet doctrinal assumption that world war was inevitable. Shortly after assuming power, Gorbachev gathered the other Warsaw Pact leader to agree that, 'achieving a durable peace was a thoroughly realistic task.'⁷⁰ Gorbachev's commitment of restructuring the Soviet economy necessitated total commitment to reallocate resources from defense to consumer goods production.

⁶⁹Marshall Bremant, "Reflections on Soviet New Thinking on Security," *Naval War College Review*, pp. 5-21, v. XLII, no. 4, Seq. 328, Autumn 1989, p. 9.

⁷⁰Michael MccGwire, "Perestroika and Soviet National Security - VIII: 1987-88, Rethinking War," paper presented to the Brookings Institute, February 1990, p. 2.

New thinkers appear ultimately to have changed the way Soviets look at security. The essence of Gorbachev's new thinking, as it pertains to foreign affairs and security are:

- War prevention is a fundamental component of Soviet military doctrine;
- No war, including nuclear war, is a rational continuation of politics;
- Inadvertent paths to nuclear war are as likely, or more likely, than deliberate paths;
- Political means of enhancing security are more effective than military means;
- Security based on a mutual concept in that Soviet security cannot be enhanced by increasing other states' insecurity;
- Reasonable sufficiency (basing a defense posture on sufficiency to repel aggression rather than a goal of achieving military superiority) for the future development of the Soviet military's combat capabilities;
- Defensive (non-provocative) defense is the basis for Soviet military strategy, instead of offensive capabilities and operations⁷¹

Formally including war prevention in their doctrine gives the Soviets a legitimate basis for trading off current forces and future increments of military power for future stability. The "no war" concept offers a basis for attempting to reduce tensions and engage in truly cooperative behavior. Soviets perceive nuclear weapons as a threat in its own right. The Soviets claim now to emphasize the political means of guaranteeing security.

The most ambiguous of the concepts in Gorbachev's new thinking is reasonable sufficiency. Not even the new thinkers have an agreed definition. For some Soviets, reasonable sufficiency is a shift away from the policy of the

⁷¹Stephen M. Meyer, "The Sources and Prospects of Gorbachev's New Political Thinking on Security," *International Security*, pp. 124-163, v. 13, no. 2, Fall 1988, p. 133.

past of increasing military capabilities when it is perceived that the West is increasing its military capabilities to one of setting a course of arming the Soviet Union to merely "defend." Other Soviets view reasonable sufficiency in opposite terms; as a strict maintenance of parity by matching Western military efforts. Therefore, it can not be operational until the Soviet leaders decide what it means and how it is determined. The concept of a defensive defense is a strategy of offensive self-denial. Soviet forces would be configured and deployed to stop an offense, prevent it from gaining ground, then push the offense back to the border. New thinkers in the USSR argue defensive defense removes the fear of a surprise Soviet conventional attack on Europe or Asia.

If the Soviet Union literally adopts *novoe mishlenie*, the changes in its military will be far-reaching. For example, if new thinking includes the concepts of a defensive defense, a revision in educating officers and training the forces in strategy, operations, and tactics is necessary. The military organization will have to be restructured and forces altered to reflect a more defensive posture. Forward deployment of Soviet forces will appear contradictory to Soviets' new concept of gearing their military to defending Soviet territory only. A Forward military and fuel stockage and engineering support should be withdrawn. Military exercises should shift from offensive to defensive scenarios.⁷²

⁷²William E. Odom, "Gorbachev's Strategy and Western Security: Illusions Versus Reality," *The Washington Quarterly*, pp. 145-155, v. 13, no. 1, Winter 1990, p. 147-148.

Reasonable sufficiency of military resources to defend the homeland from invasion and a defensive defense should also affect the Soviet Navy. If the Soviets are sincere about their new thinking, the drive for a blue-water navy to attack United States lines of communications will have to cease. Their naval infantry and sealift and airlift capabilities will have to be reduced. Specifically the Soviets should alter their military cooperation with Cuba by limiting, or stopping, their use of Cien Fuegos submarine base. Naval exercises in the Gulf of Mexico should cease.⁷³ However, internal security issues have become more pressing for the Soviets.

The problem of Soviet nationalities presents a significant threat to Soviet internal security. The Soviet government's stability has been threatened by the violent confrontations in the southern republics and the mass non-violent secessionist drive in the western republics. Instability is likely to increase with democratization of perestroika in the current political contents. There appears to be a dichotomy between perestroika and the desire to maintain the Soviet Union intact. The push to restore the Soviet economy through a democratizing process has led to demands of regional self-determination. It is not surprising that the nationality problems erupted as soon as there was an outlet for freedom of speech and assembly.

Pork sees the formation of nationality movements the result of vertical and horizontal contradictions. Vertical contradictions are the result of colonial exploitation of national resources by the central government. Horizontal contradictions resulted from economic, political and cultural

⁷³Ibid, p. 148.

interests of the different nationalities.⁷⁴ The development of recent national movements has had five stages:

- Local consciousness with debates on local issues, especially environmental;
- Emancipation of political thinking where debates evolved to such topics of self-management;
- Popular front period where discontented forces organized and set agendas.
- Official response period which has involved replacing local party and government officials, hopefully to appease the discontented
- Legislative period when radical laws are enacted by local parliaments.⁷⁵

G. CONCLUSIONS ON CHANGES IN THE SOVIET UNION

It appears the Soviets have learned from the failures in the Brezhnev era and before, and that the lessons learned are apparently what shaped perestroika. While they may have learned some lessons, they have not been able to put everything into practice.

The Soviets are closer in line on mutual security with the West than, possibly at any other time. Gorbachev has already started to withdraw Soviet troops out of Hungary and Czechoslovakia. He promises further cuts in the military and has already promised to bring back all of its 627,500 troops stationed outside the Soviet borders by the year 2000.⁷⁶ Gorbachev's military

⁷⁴Andrus Pork, "Global Security and Soviet Nationalities," *The Washington Quarterly*, v. 13, no. 2, Spring 1990, pp. 38-39.

⁷⁵*Ibid.*, pp 40-41.

⁷⁶*The Times*, "Kremlin to Bring Home all Troops by the Year 2000," 16 December 1989. The 627,500 figure for total number of troops is a Soviet figure.

cut-backs have shaken the foundation from which international affairs have been conducted. When Gorbachev renounced the Brezhnev doctrine and encouraged the transformation toward self-government in the Warsaw Pact, he began a new era.

A major point to watch in all the changes that have occurred in the Soviet Union is the ultimate purpose for perestroika. The Bush Administration warns that if perestroika's ultimate objective is to make the present Soviet model stronger, then the Soviet Union may become a "more formidable and dangerous competitor."⁷⁷ With his economy in the process of disintegration, loss of vital power in the rest of Europe, and public unrest at home, Gorbachev does not have time to think up devious long-term strategies. He must be merely hoping to salvage anything he can of the empire.

Gorbachev has not yet brought democracy to the Soviet Union through democratization of perestroika. Economic efficiency in this information age calls for greater individual freedom and more information. Achieving economic revitalization will require Gorbachev to make increasing unpopular measures at home based on the market and require institutions and people set to handle a democratic market-based society. At a conference in Stockholm of the Institute for East West Security Studies in June 1990, economists from the Soviet Union, the United States and West Germany

⁷⁷James A. Baker, "Points of Mutual Advantage: Perestroika and American Foreign Policy," prepared address for the Foreign Policy Association, New York City, 16 October 1989, *United States Department of State, Bureau of Public Affairs, Current Policy* no. 1213, p. 4.

agreed that the economic situation in the USSR was desperate. These economists did not think Gorbachev was willing or able to do what is needed to reverse the sharp decline. At the conference, Soviet economist Oleg Bogomolev said, "We are getting the shock without the therapy."⁷⁸

The West has prudently searched for signs indicating the direction of perestroika and the verdict is still out. What can already be determined is that the Soviet Union can not now return to the former status quo. The consequences of Gorbachev's actions and the ensuing events opened the door for the many in the Soviet Union to vent out their frustration with the Soviet system and to demand a better standard of living.

The changes in Eastern Europe and the Soviet Union effect Western nations' security as well. NATO and relations between Western nations are changing as each new development occurs in the former communist bloc. An analysis of European security will lead to better formulation of security postures.

⁷⁸Flora Lewis, "The Russian Question," *The New York Times*, 9 June, 1990, p. 15.

IV. ANALYSIS OF EUROPEAN SECURITY

May we venture the vision of a common European House in which no one need fear that he will be threatened or indeed attacked by his neighbor, a house with open doors, permitting free communication, a Europe of freedom and self-determination? We must venture such visions and let them become reality through our deeds Otherwise we shall be without hope.

Hans-Dietrich Gensher⁷⁹

The rapid changes in the Soviet Union and in Eastern and Central Europe have dramatically altered the status quo of European security. The bottom line is that Marxist-Leninist ideology has been swept away in Europe, not by governments, but by people taking to the streets. Because East and Central European countries have grown steadily more independent from Moscow and the Soviet hegemony has quickly disappeared, the Warsaw Pact, always a front for Soviet hegemony in Eastern Europe, has become hollow and is in the process of decomposition. The Soviets have repudiated the Brezhnev Doctrine, allowing self-determination in the Pact. Therefore, the political rationale for the Warsaw Pact has disappeared. If the negotiation on Conventional Forces in Europe (CFE) succeed then its military rationale will also have disappeared.

Although the triumph of liberal democracy over the communist dictatorships was in many ways a tribute to the political and economic resolve

⁷⁹Hans-Dietrich Genscher, Foreign Minister Federal Republic of Germany, *Speech at the meeting of the Institute for East-West Security Studies, Potsdam, 11 June 1988*, German Information Center, 13 June 1988, p. 7.

of the the Western system, it has actually left the West in confusion. The collapse of communism and the independence of East and Central Europe raise the question about the nature of Europe, the process of European integration, and how to define Europe's identity now that reintegration of the Warsaw Pact countries into the West is possible.⁸⁰ Speculation runs ahead of events and Western governments and other interests are competing to reshape Europe and to redefine the proper place of the Germans. As a result, an analysis of changes in European security and NATO is necessary.

It is worthy to review the basic goals of European security:

- Easing tensions between East and West and reducing the risk of war;
- Reducing military forces on all sides, with associated budgetary savings;
- Ending the division of the continent; and
- Ensuring the basic political, economic, and social freedoms for all the peoples of Europe.⁸¹

The central question in European security has historically been and continues to be, What to do about Germany?

A. THE GERMAN QUESTION

The beginning of the end of the cold war occurred when the GDR opened the Berlin Wall on 9 November 1989. The start of a new era occurred in the city where the collapse of Four-Power control began the post-WWII cold war. It is also appropriate that it occurred on German soil, because Germany, with

⁸⁰Schopflin, p. 15.

⁸¹Robert E. Hunter, "Beyond the Cold War: The European Agenda," *The Washington Quarterly*, pp. 35-49, Autumn 1989, p 37.

a history of attempts at European hegemony, had always presented problems to European security.

The post-WWII order provided a temporary solution to the age-old German problem. This order had an implicit and explicit purpose. The explicit purpose was to contain Soviet expansion. The implicit purpose was to constrain Germany. The post-WWII solution was to divide Germany and make both halves dependent on others for their security.⁸²

With the downfall of Communist power in East Germany and some form of German reunification inevitable, Germany returns as the center of concern for European security. Joffe explains the dual question as, "What kind of European architecture could accommodate what kind of united Germany?"⁸³

Before examining answers to this question, the logic of German unification must be examined. First, it must be understood that nationalism or political mission are not driving unification, nor are the powerful West Germans the principle drivers of unification. That is not to say that West Germans do not favor unification. In March 1990, surveys of public opinion in West Germany indicated 78.4 percent were in favor of the reunification of the German states into a single country and only 12.4 percent favored separate and independent states.⁸⁴ The powerless East Germans are driving

⁸²Josef Joffe, "Once More: The German Question," *Survival*, pp. 129-140, v. XXXII, March/April 1990, p. 135 -136.

⁸³Ibid.

⁸⁴Wolfgang G. Gibowski and Holli A. Semetko, *Public Opinion in the USA and the Federal Republic Germany: A Two Nation Study*, Friedrich-Naumann-Stiftung, March 1990, p. 1 of survey. The Friedrich-Naumann

reunification, and not for nationalistic or purely political freedom. Rather, it is primarily for economic reasons. The East Germans' desire for a higher living standard, more than any nationalist sentiment or belief in a political ideology, has created the momentum for reunification.

Second, the logic for unification was driven by necessity. Even after the GDR opened the Iron Curtain, East Germans continued to escape to West Germany. This left East Germany with a people drain and the FRG with increasing strain on its welfare system, economy, and housing market. Ultimately, the only options left for leaders on both sides was some type of "all-German reunification, or reunification on West German soil."⁸⁵

With public opinion strongly behind unification, it is not surprising how quickly democratic politics fell into line, especially with 1990 an election year in West Germany. West German Chancellor Kohl has proven to have an intuitive knack for discerning the direction of public opinion and setting his course accordingly. Hahn describes this model of leading as the "presiding leader."⁸⁶ Until Kohl's Ten Point Plan, enunciated on 28 November 1989, most political parties, including the Social Democrat and the Christian Democrats, were ambivalent on unification. By the beginning of the year, however, practically all parties vying for future electoral gains followed public

Foundation is a non-profit organization affiliated with the West German Free Democratic Party (FDP), the junior partner in the West German governing coalition.

⁸⁵Joffe, p. 132.

⁸⁶Walter F. Hahn, "NATO and Germany," *Global Affairs*, pp. 1-18, Winter, 1990, p. 14.

opinion and called for German reunification. Only the Greens in West Germany and the intellectuals and party reformers of East Germany who started the major East German opposition party, New Forum, still opposed reunification. These groups opposed reunification because they fear that East Germans will merely become wards of the FRG. New Forum claims to strive for a society less materialistic and more humanistic than that offered by the FRG.

In answer to what kind of European architecture could accommodate what kind of united Germany, obviously the post war two-nation solution for Germany has lost its reason. Joffe argues that, as the the post-war order's explicit function (containment of Soviet power) became outdated, the division of Germany (the implicit function) lost its credibility.⁸⁷ Assuming that some type reunification is inevitable, the question then turns to what form will Germany take and what that means to the rest of Europe?

At a minimum, the Germanys will remain two separate federations joined economically. More likely, elections in East Germany will result in its incorporations into the FRG as five newly reformed *lander* (states). The incorporation is not expected to be merely a swallowing up of the GDR by the FRG and an expansion of the West German state. East Germany will have to have a say in the direction of the new Germany. However, there is little doubt the the FRG's government organs and constitution will remain intact. Under the "two-plus-four" formula worked out in Ottawa, the fate of Germany will be decided by East and West Germans then ratified by the four

⁸⁷Joffe, p. 136.

wartime powers (Britain, France, Soviet Union, and United States). Interested countries, Poland in particular, will continue to put pressure for a "broader European framework," possibly within the 35-country Conference on Security and Cooperation in Europe (CSCE), scheduled to meet this summer.⁸⁸

The Germany dilemma deepens after reunification. The major questions will be: How will German reunification affect the European integration via the EC and how will it affect the European security status quo, specifically NATO?

Reunification is of high concern to all in the EC. Secretary Baker stated in December 1989, in Berlin:

The example of Western cooperation through the European Community has already had a dramatic effect on Eastern attitudes toward economic liberty. The success of this great European experiment, perhaps more than any other factor, has caused Eastern European to recognize that people as well as nations cooperate more productively when they are free to choose.⁸⁹

The plan for Europe 1992, with transitional mergers and commitment to democracy has proven to be a very attractive means for the people in Eastern and Central Europe to rebuild their economies. Some fear, however, that unification of Germany will weaken the EC's chances of reaching its goals for

⁸⁸ Gregory F. Treverton, "Reconstructing European Security," Council on Foreign Relations, March 1990, p. 1-4.

⁸⁹ James A. Baker, "A New Europe, A New Atlanticism: Architecture for a New Era," prepared address to the Berlin Press Club at the Steigneverger Hotel in Berlin, 12 December 1989, *United States Department of State, Bureau of Public Affairs*, Current Policy no. 1233, p. 3.

1992. The EC wanted to take consolidating steps among its present members before dealing with new members. Renata Fritsch-Bournazel, Senior Research Fellow at the Center for the Study of International Relations in Paris, claims that many in the European Community secretly wished that the Eastern Europeans had postponed their revolutions until after 1992.⁹⁰

Everyone, including the Soviet Union, is certain of East Germany becoming a full member of the EC when it joins West Germany. The EC formally endorsed Chancellor Kohl's reunification goal at its December 1989 summit in Strasbourg in a bargain for West German support of a timetable for European monetary integration.⁹¹ Still, there is concern that German commitment to a united Europe will be diverted by the task of restructuring East Germany. The cost of assuming the economic responsibility for East Germany has been estimated at \$100 billion.⁹² Many fear that a unified Germany will philosophically and economically withdraw from the EC as it tries to reconstruct the GDR portion of Germany. Prime Minister Thatcher has been the most unyielding in pointing out West German's "reticence

⁹⁰ Renata Fritsch-Bournazel, Senior Research Fellow, Center, *Fondation Nationale Des Sciences Politiques (CERI)*, Paris, "Germany and Europe: Old Dilemmas, New Solutions?", paper presented at the "Helsinki II and the Future of Europe Conference", Woodrow Wilson Center, Washington D.C., 23-24 April 1990, p. 6.

⁹¹ Jim Hoagland, "Europe's Destiny," *Foreign Affairs*, pp. 33-50, v. 69, no. 1, 1990, p.39.

⁹² Hobart Rowen, "Europe 1992," *The Washington Post*, 12 April 1990, A25.

about monetary union."⁹³ Also, the poorer countries in the EC, such as Greece and Portugal, fear the rebuilding of East Germany will work to their disadvantage. These countries fear that pressure to rebuild East Germany's economy will re-divert monetary assistance they had hoped for.

In addition, it has become apparent that West Germany has the ability and willingness to use its economic power to accomplish the goal of becoming even more influential in Eastern Europe.⁹⁴ There is a perception with some in the community that the new Germany, especially with East Germans included as decision makers, will want to widen rather than deepen the EC by pushing for inclusion of other Warsaw Pact countries, notably Poland and Hungary. The Eastern Europeans desperately desire to be associated with the prosperous West and the EC. One good example of Germany's sympathy toward the former communist satellites was revealed at the end of November 1989, when West German Foreign Minister Hans-Dietrich Gensher flew to Budapest to sign a \$279 million untied loan to Hungary. *Le Monde* wrote that Gensher expressed his 'gratitude' for the Hungarian government's decision to reopen its boarder with Austria on a permanent basis allowing East German refugees to flee. Gensher also promised to support Hungary's bid for EC associate status.⁹⁵

Many EC members desire the opposite: Deepening the EC, by strengthening present ties and moving toward a political union of existing

⁹³Treverton, p.4.

⁹⁴Hoagland, p. 39.

⁹⁵Ibid, p. 40.

members, rather than widening the EC by including more members. This desire has resulted in turning back even a rich outsider, Austria. There are those who fear that the admittance of East Germany into the EC via West Germany will enhance the power of the West and further cause the isolation of the Soviet Union. Finally, there is concern that the larger Germany will alter the balance of power among the 12, leaving France and Great Britain more insecure and forcing them to push for widening the EC as a counter to German dominance.

Others are more positive of the situation. The optimists believe that fears that West Germany will be too distracted by the rebuilding of East Germany to continue the building of the EC, and that a larger united Germany will disturb the balance of power of the existing 12 EC members have been exaggerated. As far as Soviet Union isolated from the EC with the inclusion of East Germany, Hoagland feels this will actually work to the Soviets' advantage. The GDR is currently the Soviet Union's most important trading partner; Twelve percent of Soviet trade is with the GDR. Since the Soviets will more likely continue to have economic ties with a new Germany, the USSR will immediately benefit by the higher quality machine tools and the West German marks it will get after German currency unification occurs in July 1990.⁹⁶ Also, West German business is regarded highly in the Soviet Union as the most loyal and dependable of all Western trading partners and political unification is not likely to change that feeling. Finally, reunification will act

⁹⁶Ibid.

as an economic window to the EC for the Soviets who desperately desire more economic contact.

In addition, there is the argument that a unified Germany will be under political pressure by skeptics, such as Great Britain, to demonstrate its commitment to EC and provide more to a unified Europe than it would have before. Ultimately, others argue, Germany will commit itself to EC 1992 for the most basic reason of self-interest. Thus, "A bigger market and a freer flow of goods and services, plus monetary coordination around the *Bundesbank* without sharing any real power over German fiscal policy" is in Germany's interest.⁹⁷ However Germany is defined, though, it will once again become the heart of Europe, linking instead of dividing East and West.

Just as important as the issue discussed above is determining how reunification will affect the security of NATO. Solutions for arranging a place for the reunified Germany in Europe range from NATO membership to neutrality. The overall position of the West in approaching a new European security order in relation to Germany is to preserve and strengthen Western institutions that have proven effective and to ensure that a reunified Germany remains strongly anchored in the West. The United States' preference is for an asymmetrical relationship where a unified Germany is a full member of NATO. American officials believe that eventually the Soviets will agree because of the Realpolitik argument that it is in the Soviet Union's

⁹⁷Treverton, p. 5.

interest to have a Germany grounded to some alliance rather than a Germany unaffiliated in the center of Europe.⁹⁸

There is broad support in the FRG and the rest of Europe for Germany remaining in NATO. The FRG government desires to stay in NATO for reasons of stability and to maintain close ties with the industrialized West which are all in their self-interest. FRG's Minister of Defense, Dr. Gerhard Stoltenberg, said on 1 May 1990,

Together with its with its allies, the Government of the Federal Republic of Germany has made clear that despite due respect for the security interests of the Soviet Union and all our neighbors a future single Germany must not be neutralized or demilitarized but should continue to be integrated in the Western Alliance for security policy purposes. This is not only a sequel of our history, but a necessity under the aspect of stability for the whole of Europe.⁹⁹

Poland, Hungary and Czechoslovakia have supported this position. Poland's, support for a united Germany in NATO is due to anxiety produced by an unaligned and powerful Germany. Most of Europe believes that a Germany anchored firmly to the United States and Western Europe through NATO membership is less threatening than a Germany that is militarily isolated. Polish foreign minister Krzysztof Skubiszewski warned at the February 1990 meeting between NATO and Warsaw Pact foreign ministers in Ottawa,

⁹⁸Ibid, p. 10-11.

⁹⁹Gerhard Stoltenberg, Federal Minister of Defense Federal Republic of Germany, "German Unity and European Security," *Speech at the Johns Hopkins University, Washington D.C.*, 1 May 1990, p. 9.

Through neutrality you might easily isolate that economic giant and you might create a situation where Germany tries to become a power or a superpower on the European stage.¹⁰⁰

The reemergence of the German question caused Gorbachev to stop his campaign to dissolve NATO and the Warsaw Pact. Initially, analysts predicted that the Soviets might attempt to trade the withdrawal of 350,000 Soviet troops from East Germany for the departure of unified Germany from NATO.¹⁰¹ As each day passes, however, Moscow plays this game with a weaker hand against the West. Many believe that if the Soviet Union hopes to salvage anything from the disintegrating Soviet position in Europe, it will be the hope of access to the Western economy. Therefore, Moscow may not insist on neutrality for a united Germany. At present, the Soviets might agree to a united Germany NATO membership if, like France, it had no foreign troops stationed on its soil and did not subordinate its own troops to the NATO military command in peacetime.¹⁰² Another option which the Soviets might accept is that suggested by West German foreign minister Hans-Dietrich Gensher for a unified Germany in NATO but with its eastern half demilitarized. Both suggestions as of mid 1990 were not acceptable to the United States and Great Britain.

Another issue in European security related to the German question is determining what to do with the American, French and British troops in

¹⁰⁰Lewis Paul, "United Germany urged to be in NATO," *The New York Times*, 15 February 1990, A8.

¹⁰¹Treverton, p. 6.

¹⁰²*Ibid.*

West Germany and Soviet troops in East Germany after reunification. If a new Germany remained in NATO but had no foreign troops, NATO would be a very different alliance. Assuming that Germany remains in NATO, then one can expect the Soviets to push for this arrangement in exchange for removal of its troops in the eastern part or insist on leaving their troops in Germany, but at a reduced number.

The questions of troops in a reunited Germany may be dealt with in short- versus long- range approaches. For the foreseeable future, there appears to be much support in Europe for foreign troops remaining in Germany. However, if the expression of public opinion in East Germany in November 1989 can be taken as a populace's total rejection of the the Socialist Unity (Communist) Party (SED) government, it is questionable whether the East Germans will be amicable to any solutions that allow the continued presence of Soviet troops that held up the old regime. In the long run, foreign troops inside a new Germany will have to be considered within an overall reexamination of security and cooperation in Europe. The interests of the Soviet Union must be considered an integral part in the reexamination of long-range security in Europe.

B. THE RUSSIAN QUESTION

The German question is much of concern to Europe and North America, but the Soviet crisis adds to the potentially volatile mixture. In 1989, the Russian question for the West was whether and how to help the Soviet Union. Now the majority view appears to follows Hans-Dietrich Gensher's question: How does the Soviet Union fit into the new Europe?

Prudent minds in the West want to ensure that the Soviet Union has a place in the new European order. The peril for the Soviets is to be left out of the restructuring of Europe while its former East European allies enjoy an economic reconstruction. Another concern is how not to leave the Soviet Union militarily threatened. A Soviet Union isolated from the rest of Europe and threatened is not in the interest of stability. Whatever happens within the Soviet Union, the Russians will retain nuclear weapons and a mighty military force. No matter how uncertain the Soviet future, it is not wise to try to exclude the USSR from the European settlement. It is especially unwise *because* the Soviet future is so uncertain. Therefore, Treverton views the immediate Russian question as whether to make the final outcome of the new Europe, especially as it applies with the new Germany, more agreeable to the Soviets by arranging a balance of military force between NATO and the Soviet Union.¹⁰³

The current European symmetry revolves around military and economics. The Soviet Union will require some compromise in return for giving up military and economic dominance over Eastern and Central Europe and for not standing in the way of German unity.¹⁰⁴ There is a temptation for the West is to ignore symmetry between NATO and Soviet military forces. Some believe it is unnecessary because the Soviet Union is too weak not to accept whatever the final structure of the new Europe will be. Considering the Soviet's internal dilemma, and that the Soviet Union cannot

¹⁰³Ibid.

¹⁰⁴Fritsch-Bournazel, p. 8.

afford to to alienate the West, some believe the USSR cannot call out its troops in Eastern Europe to resist the new order without risking total collapse. Following this argument, the Soviet Union can only hope to slow down the process of change in Europe in order to buy time for them to gain economic and political strength in order to counter Western diplomatic initiatives. The Soviet Union can try to keep open the option for developing some kind of community of interests between a socialist-capitalist Eastern Europe and a reconstructed Soviet Union. It could begin to share in the economic and technological benefits of closer Western ties.

Making the Soviet Union feel more secure in this time of transition is important. However, no matter how hard the West attempts to accommodate the Soviets in a new Europe, the West will still be dealing with a nation in the midst of, what Zbigniew Brzezinski called on 7 June 1990 at a conference at John Hopkins University, "democratizing chaos."¹⁰⁵ It is impossible to determine how the Soviet Union should fit into the new Europe because we cannot predict the future of the Soviet Union.

¹⁰⁵ quoted from CSPAN, 9 June 1990.

V. ANALYSIS OF CHANGING RELATIONSHIP IN NATO AND WARSAW PACT

To analyze the relationship of Europe and the West and particularly the future of the security structure, the implications of the changes for the Warsaw Pact and NATO must be integrated. Events have caused the alliances to change its approach from confrontation to cooperation. The West has recognized that it is now dealing with countries on the path toward democracy. This revolution for democracy in the Warsaw Pact paves the way for a new security policy.

A. WARSAW PACT

Combining the analysis of NATO and the Warsaw Treaty Organization (WTO) risks providing too much legitimacy to the Warsaw Pact than it deserved. The two alliances were not mirror images. Unlike NATO, the WTO, through Soviet hegemony, denied its members a national security policy. All countries contributed troops, but only the Soviet Union participated in the decisions involved in the collective defense of the states. The forces contributed were considered as components of the Soviet Union's military operations. Therefore, NATO generally did consider the East European countries as serious participants in military actions against the West. Even the Soviets behaved in ways showing doubt about their allies' reliability. For example, Nelson argues that the Soviet's reliance on highly armored "superdivisions," called operational maneuvering groups, to

heighten ratios of troops and armor was due to their inability to depend on the huge WTO numerical superiorities over NATO forces.¹⁰⁶

B. SOVIET FORCE REDUCTIONS

In a speech to the United Nation on 7 December 1988, President Gorbachev announced that the Soviet Union would unilaterally reduce its armed forces by 500,000 troops, 10,000 tanks, 8,500 artillery pieces, and 800 combat aircraft. Of the 500,000 figure (100,000 will be officers) approximately half will come in Eastern Europe and the European portions of the Soviet Union. When completed in 1990, the House Armed Service Committee estimated that this will reduce Soviet capabilities in East and Central Europe by 20 to 25 percent and make a surprise attack in Europe "impossible."¹⁰⁷ Gorbachev's announcement of unilateral Soviet force reductions in Europe and Asia triggered a series of announced cuts by the NonSoviet Warsaw Pact (NSWP) members.

Central Intelligence Agency Director Webster reported to House Armed Service Committee that withdrawal of the Soviet forces from Eastern Europe appeared to be on schedule as of 1 March 1990. Three tank divisions and additional tanks, totaling approximately 2,700 have already been removed and an equal number are expected to be withdrawn by the end of 1990. Soviet

¹⁰⁶ Daniel N. Nelson, "Watching the Pact Unravel: The Transformation of East European Political-Military Policies," paper presented to the Carnegie Endowment for International Peace, 1990, p. 1-3.

¹⁰⁷ Barry M. Blechman, "Dialogue on Changing Soviet Forces, " *The New York Times*, 16 January 1989, A15.

assault landing formations and units, and assault river crossing forces were withdrawn from Eastern Europe in 1989.¹⁰⁸

United States State Department analysts concluded that Soviet military spending declined in 1989 between 14 and 16 percent of GNP, down from 15 to 17 percent in 1988.¹⁰⁹ John Helgerson, CIA deputy director for intelligence testified on 20 April 1990 to the Congressional Joint Economic Committee that Soviet defense procurement outlays fell by six to seven percents in 1989 and personnel and operations spending also decreased.¹¹⁰ Soviet Marshall Sergei Akhromeyev stated that annual tank production dropped to 1,700 in 1989, one-half the number that the United States says were produced annually, on the average, between 1986 and 1988. Western intelligence sources confirmed that Soviet tank production is declining but did not provide amounts.¹¹¹

Changes in the Soviet conventional threat have included naval forces. In September 1989, the Defense Department reported that Soviet naval activity outside home waters had dropped by 15 percent. On 1 February 1990, General Powell, Chairman of the Joint Chief of Staff (JCS), testified that 'their fleet

¹⁰⁸Webster, p. 8.

¹⁰⁹Blechman, A15.

¹¹⁰Bill Gertz, "13,322 Warheads Credited to Soviets " *The Washington Times*, 23 April 1990, p. 11.

¹¹¹Bleechman, A15.

out-of-area (OOA) deployments will continue to decline.¹¹² One week later Admiral Kelso, Commander in Chief of the U.S. Atlantic Command amplified the observation:

The Soviets have decrease OOA operations substantially in the last few years...We see very few submarine patrols in the the Atlantic anymore. They have scaled down the number of forces they have in the Mediterranean, therefore we see fewer transducing back and forth to the Mediterranean. They have reduced their deployments to Cuba... I think they pulled back to support the idea of a defensive doctrine.¹¹³

Admiral Hardisty, Commander in Chief of the U.S. Pacific Command, has also confirmed decreasing Soviet naval operations in the Pacific, as well as a withdrawal of various units from forward deployments in the region, including at Cam Rahn Bay, Vietnam.¹¹⁴

Chief of Naval Operations, Admiral C.A.H. Trost cautioned on being too optimistic about the Soviet Navy. He testified to the House Appropriations Defense Subcommittee in February 1990 that the Soviet Navy continues "a robust aircraft carrier construction program" and that their 1989 submarine construction rate matched their 1988 rate of nine ships (double the number of those produced in the United States).¹¹⁵

¹¹² Quoted in U.S. Senate, *Speech of U.S. Senator Sam Nunn on "The Changed Threat Environment of the 1990's,"* presented 29 March 1990, p. 7.

¹¹³Ibid.

¹¹⁴Ibid, p.

¹¹⁵U.S. Department of the Navy, *Statement by Admiral C.A.H. Trost, U.S. Navy Chief of Naval Operations Before the U.S. House Appropriations Defense Subcommittee on the Posture and Fiscal Year 1991 Budget of the United States Navy*, presented 22 February 1990, p. 3.

In the mid-range of five to eight years, Soviet troops may be expected to withdraw from Czechoslovakia and Hungary. The Soviet Union's unilateral withdrawal from Eastern and Central Europe, will include 462,000 forces prior to further announced reduction.¹¹⁶

Despite significant withdrawals and reductions in Soviet conventional capabilities, the Soviets continue to build up their strategic forces. The Defense Intelligence Agency reported in April 1990 that the Soviets have deployed 13,322 nuclear warheads on 1,378 intercontinental ballistic missiles (ICBMs), 954 submarine-based nuclear missiles and 620 nuclear armed bombers. The United States has an estimated 12,570 nuclear warheads on 1000 ICBMs, 608 submarine-launched missiles and 291 bombers.¹¹⁷

Soviet improvements also are continuing on the silo-based SS-18s and its MOD-5 upgrade, which have been introduced into some of their deployed SS-18s. The SS-25 road mobile, single warhead missile continues to be produced. The train mounted SS-24 mobile missile is in serial production. Soviet bomber production also is continuing with the Blackjack, Backfire, and Bear H bombers and cruise missile carriers. Finally, SSBN deployments continue at the rate of one per year.¹¹⁸

¹¹⁶U.S. Senate, *Speech of U.S. Senator Sam Nunn on "The Changed Threat Environment of the 1990's,"* presented 29 March 1990, p. 4-5.

¹¹⁷Gertz, p. 11.

¹¹⁸U.S. House of Representatives, Committee on Armed Services, Defense Policy Panel, *Statement by the Honorable Stephen J. Hadley, Assistant Secretary of Defense International Security, Before the U.S. House of Representatives Committee on Armed Services Defense Policy Panel, Second*

On the basis of these investments it is clear that the most interesting and potentially troublesome development of the current Soviet military is that they have adopted the United States' philosophy and are willing to sacrifice quantity for quality. Force reduction is good, but when compared to the Soviets actions with strategic weapons, it is clear they are not gearing down where it is most important.

C. NONSOVIET WARSAW PACT (NSWP)

With the collapse of the Soviet hegemony, NSWP countries are not expected to maintain the former security interest of the WTO, i.e., maintaining Soviet supremacy in the name of communism. Rather, they are expected to concentrate on individual national interests. In the short-term, the WTO will probably continue but in a different form.

For the most part, the ties between army and party have eroded at the national level leaving a coalition between younger, reform-minded officers and non-communist politicians. Public opinion in the WTO nations largely now openly distrusts the military, viewed as the protectors of the communist regimes.

Although not all new NSWP governments have been elected formed, there are clear signs of a diminished military effort in the WTO the NSWP reductions announced after Gorbachev's speech to the United Nation in December 1988. Poland began the military reduction in 1987 by placing two

Session, 101st Congress on "Contingency Forces," presented 22 March 1990, p. 3-4.

mechanized division into Category III status (deactivating most personnel and retaining them as cadre-only units) and down-sizing two airborne divisions into brigades with a reduction of 40,000 troops over two years and the retiring of 850 tanks and 80 fighter planes.¹¹⁹ According to Zbigniew Blechman, former Commander of the Pomeranian Military District, the Polish army planed to restructure its three mechanized infantry and two armored divisions into three mechanized divisions, leading to fewer tanks and more anti-tank weapons.¹²⁰ There is confirmation that the Polish ground forces are being reorganized, including disbanding of four mechanized rifle division and reorganizing two tank divisions into less heavily armored mechanized-rifle divisions.¹²¹ Poland reduced its conscription time from 24 to 18 months.¹²²

Hungary and Czechoslovakia followed Poland in making defense budget cuts. Hungary has implemented the largest reduction of military budgets announced in the WTO: a two-year 17 percent expenditure reduction for 1989-1990 (8.5 percent per year).¹²³ It has shortened conscription time from 18 to 12 months and plans to cut 27,500 troops by 1990. Together with the previous

¹¹⁹*Foreign Broadcast Information Service, "East Europe," 9 January 1989, p. 34.*

¹²⁰*Janes Defense Weekly, "General Details Polish Forces Cuts," 17 June 1989.*

¹²¹Nelson, p. 8-9.

¹²²Larrabee, p. 8.

¹²³Nelson p. 6.

reduction of 9,300 in 1989, this results in Hungary reducing its military by 35 percent.¹²⁴ On 19 January 1990 at a Vienna conference on conventional forces and military doctrine including NATO, WTO and neutral nations, Hungary proposed the withdrawal of all of the estimated 50,000 to 62,000 Soviet troops from its soil by the end of 1991.¹²⁵ Hungary's disarmament initiative, which called for a ceiling much lower than the 275,000, went further than the positions of NATO and the WTO. Talks have already begun between Hungary and the Soviet Union on complete Soviet troop withdrawal within two years.

In Czechoslovakia, President Vaclav Havel is pressuring for the withdrawal of the estimated 75,000 to 80,000 Soviet troops in his country by the end of 1990 and is planning for a further 30 percent reduction in Czechoslovakia's defense spending. This implies that the Czechoslovaks are looking at unilateral troops cuts of possibly 50,000.¹²⁶ In addition, Czechoslovakia plans to reduce conscription time from 24 to 18 months.¹²⁷

The largest doubts on changing the old approach to WTO security remain in the Balkans where the requisite conditions of competitive elections and new legal and institutional order have yet to take hold. Romania was the only country not to announce troops reductions after Gorbachev's December

¹²⁴Larrabee, p. 8-9.

¹²⁵Alan Riding, "Hungary Seeks Withdrawal Of Soviet Forces in Two Years, *The New York Times*, 19 November 1990, p. A1.

¹²⁶Nelson, p. 7.

¹²⁷Larrabee, p. 8.

1988 announcement. Considering that the army played a major role in the ouster of Ceausescu, it is doubtful the new Romania government will make drastic cuts in its defense budget. Bulgaria announced after December 1988 the intention to reduce its military by 10,000. Bulgarian reformists have yet been able to provide any concrete action for further defense cuts. Because the former communist party in Bulgaria easily won the first round of elections in 10 June 1990, the possibility of drastic cuts in the military seem even more remote.

German reunification will more than likely remove the most important military member of the WTO outside of the Soviet Union and possibly hasten the alliance's disintegration. The GDR army has literally disappeared; new recruits are no longer reporting for service, many have deserted, troops have gone on strike, and many of its officers are attempting to join the West German *Bundeswehr*.¹²⁸ The East German army is now, as one NATO official put it, "devoid of any operational capability."¹²⁹

As process of democratization becomes further entrenched in systems of the NSWP countries, public opinion will become an increasingly important factor. Since the USSR had for 40 years controlled national security policies for all WTO nations, the NSWP nations were denied a national security policy based on self-interests. None of the "peoples' armies" could realistically appeal to their "people" based on patriotism if the armed forces

¹²⁸Ibid, p. 9.

¹²⁹U.S. Senate, Speech of U.S. Senator Sam Nunn on "The Changed Threat Environment of the 1990's," presented 29 March 1990, p. 6.

were not responding to sovereign authority. Today, suspicion must still lay in the hearts of the people.

Today's issues within the armed forces debate are sure to include conscription and ecological concerns. Conscription is very unpopular throughout the NSWP and already at least three of the NSWP countries have reduced the amount of obligated service. Ecology helped form the broad opposition base of the revolution and many of its leaders now are members of the emerging democratizing governments. For example, the The Bulgarian environmental group Eco-Glasnost was very influential in the forming the opposition coalition Union of Democratic Forces.

Unfortunately, Poland is the only NSWP country collecting data concerning mass opinion about the military. These data trace changing levels of trust in the army, prestige for the military profession, etc., but do not link variation in responses to social, economic, and political conditions.¹³⁰

The evidence of the Warsaw Pact's disintegration is overwhelming. Noncommunist coalitions have taken power in Poland, Hungary, Czechoslovakia, and East Germany. Each country is acting now more on the basis of perceived national self-interest and the possibility of the return to the WTO following a unilaterally defined Soviet line appears low. Hungary and Czechoslovakia are both negotiating with the Soviet Union for the complete withdrawal of all Soviet forces in their country by 1991. Hungarian Foreign Minister even suggested that Hungary might ask to join NATO.¹³¹ East

¹³⁰Nelson, p. 33.

¹³¹Ibid.

Germany can no longer be considered part of the WTO even though the issue of Soviet troops remain an issue. Finally, Soviet General Chervov revealed that the WTO's military command apparatus would no longer be governed through communist party channels. Instead it will go through governments, thus eliminating the Soviet Union's previous primary method to direct control of all of the military forces in the WTO.¹³²

In the mid- and long-term, the WTO seems largely irrelevant as a multilateral Soviet partner in European security and none of the emerging democracies will desire to replace or revise it. In the short-term, a nominal WTO with severely limited ties to the Soviet Union's military seem likely. Several options for national security are in front of the present NSWP countries. Neutrality appears a very popular option among the noncommunists. Another idea for the NSWP countries, especially interesting for Hungary and Poland, is creating an all-encompassing Euro-Atlantic security organization.¹³³ Both these countries have already begin negotiating independently with NATO regarding troops levels, chemical weapons, etc.¹³⁴ NSWP members appear interested in maintaining the presence of the United States in Europe while reassuring the Soviet Union that it is not threatened.¹³⁵

¹³²Ibid.

¹³³Ibid, p. 36-41.

¹³⁴John J. Fialka, "Soviets Losing Control Over Allies in Arms Talks, U. S. Officials Say," *Wall Street Journal*, 9 November 1989, p. 1.

¹³⁵Nelson, p. 47.

As a result in the changes in the WTO, the CIA has assessed that the Warsaw Pact threat to the United States and its NATO allies has been reduced significantly:

- Soviet planners have absolutely no confidence in NSWP support if a conflict with NATO would occur;
- The military reductions already carried out have lengthened the time it would take to the Soviets to mobilize for any large scale attack in Europe.¹³⁶

The implications of unilateral actions already taken within the WTO are tremendous to NATO planners. The Soviet Union would have to conduct a military attack in Europe completely alone and possibly against its former military allies. It is extremely unlikely the Soviets would do this. The problem is not only that the Soviet Union no longer has the assets of its WTO allies for battle, but, that, its lines of communications and forward logistics staging areas in Eastern Europe would not be secure. James Schlesinger described a lone-Soviet attack on Europe now as "an act of supreme folly."¹³⁷

In an unfortunate display of poor communication between the United States executive and legislative branches, the United States Congress discovered in December 1989 that the U.S. intelligence community had reached an assessment that NATO would have some 33 to 44 days of warning time to respond to Warsaw Pact preparations for an attack. This assessment had been reached *before* Gorbachev announced his substantial unilateral

¹³⁶Webster, p. 7-8.

¹³⁷U.S. Senate, Speech of U.S. Senator Sam Nunn on "The Changed Threat Environment of the 1990's," presented 29 March 1990, p. 6.

conventional force reductions in December 1988.¹³⁸ Further Soviet force reduction in Eastern Europe will increase the warning time. Major General Robinson, a senior Joint Chief of Staff official, confirmed that the unilateral Warsaw Pact reductions would increase the warning time contained in National Intelligence Estimate of Warning Time (NIE4-1) by "a factor of four or five."¹³⁹ Even if Gorbachev's reliance on political means of enhancing security over military means and a defensive defense were originally meant to be devious, looking at his political and military position today causes one to think that he now has no choice but to rely on politics and diplomacy and a defensive posture in the event of a military crisis.

Demilitarization of the WTO, especially the Soviet Union can only be regarded as a positive step toward Western stability. However, it does not necessarily follow that the short-range disintegration of the Warsaw Pact is equally positive. This period may give the WTO the opportunity to provide its most important contribution to date—"as a transitional factor of stability."¹⁴⁰ The WTO can transform as a political coalition to assist the emerging democracies in their transition to democracy. For example, they can act as a coalition body to discuss economic assistance from the West. Although the specifics are still unclear, many in the WTO are considering reforming the WTO into a non-ideological organization which emphasized

¹³⁸Ibid, p. 4.

¹³⁹Ibid, p. 5.

¹⁴⁰Peter Corterier, "Quo vadis NATO?" *Survival*, pp. 141-156, v. XXXII, March/April 1990, p. 142.

political consultation for mutual security and non-interference in internal affairs.

D. THE NATO CHALLENGE

This is a period of extensive reexamination whether NATO can and should remain involved in shaping and managing the historic process of change occurring in Europe. There are those that argue, with the reduction of strength in the WTO, that here should follow a reduction in the reliance on NATO for western security. Morton Kondracke asks, "If the Warsaw Pact is dead, what threat justifies the continued existence of a Western military alliance?"¹⁴¹ The arguments continue that, since NATO and the WTO were invented to maintain the standoff of the two superpowers, then it should follow that, at best, NATO is only a transition organization until something more comprehensive and effective is developed. Ultimately, the question is whether and in what form is NATO relevant?¹⁴²

In at least the short- and mid-range, NATO is not only relevant, it is vital to ensuing future stability of Europe. First, to equate the actions in the WTO with those of NATO is misleading due to the different purposes for their existence. Looking at the structure of each organization reveals why NATO maintains relevance whereas the WTO does not in its present state. The WTO, with its military headquarters in Moscow and no permanent civilian headquarters or secretariat, has always been regarded as simply an extension

¹⁴¹Morton Kondracke, "Who Needs NATO?" *The New Republic*, 5 March 1990, p. 14.

¹⁴²Strobe Talbott, *Time*, 1 January 1990.

of the Soviet General Staff. Only now is the WTO considering evolving into a political organization (assuming its continued existence). On the other hand, NATO has always been both a political and military alliance of free states, as evidenced by its civilian and military structures.¹⁴³

NATO's formal principle objective as described in the Harmel Report of 1967, "To preserve peace in freedom, to prevent war, and to establish a just and lasting peaceful order in Europe"¹⁴⁴ speaks to today's situation. NATO's basic purpose of defending and furthering Western values endures. It remains the only structure where 16 like-minded North American and European countries can discuss the political, economic and military factors involved in the future security.

The critical questions for NATO are: to what degree will its structure be used for purposes of long-lasting political coordination, and how will NATO's efforts in this respect be rationalized with those of other existing organizations such as the EC and CSCE? The continued success of NATO requires a broadening of its agenda.

NATO is now working to build a new security structure for Europe within which relations with the Soviet Union and its former satellite nations will be based on confidence-building measures and arms control verification and the question of Germany can be resolved to the satisfaction of the other

¹⁴³Kaplan, p. 70.

¹⁴⁴U.S. House of Representatives, Committee on Foreign Affairs, Subcommittee on Europe and the Middle East, *Statement of Raymond G. H. Seitz, Assistant Secretary of State, Before the U.S. House of Representatives Committee on Foreign Affairs Subcommittee on Europe and the Middle East*, presented 22 March 1990, p. 6.

nations in Europe and the West. The first step for the new NATO in the new Europe assuming the democratizing process continues, is to establish cooperative security arrangements with the WTO countries aimed at strengthening the present security structure. The second step is to transform the cooperative security structures into an interlocking system of mutual collective security.¹⁴⁵

NATO Secretary-General, Manfred Worner, outlined in December 1989, the short-range tasks for the alliance:

- To create favorable conditions for the success of Eastern reform;
- To secure a CFE agreement and to carry out an orderly build-down of opposing armed forces through balanced arm control
- To consider the future political and security architecture that will result from the transformation of the cold-war order to 'a Europe whole and free and to a state of peace in Europe in which the German people regains its unity through free self-determination.'¹⁴⁶

Shortly after Warner's outline, United States Secretary of State Baker outlined the U.S. position on the new NATO:

- To build a new European security structure in which "the military component is reduced and the political is enhanced," of which a CFE agreement is the "keystone";
- To increase consultations on regional conflicts and weapons proliferation, thereby making NATO "the forum where Western nations will cooperate to negotiate, implement, verify and extend agreements between East and West";

¹⁴⁵Hans-Dietrich Genscher, Foreign Minister Federal Republic of Germany, *Speech at the meeting of the Western European Union, Luxembourg, 23 March 1990*, German Information Center, 30 March 1990, p. 3.

¹⁴⁶Cortier, p. 146.

- To develop further economic and political ties with the East through the CSCE process; in particular to promote respect for human rights and assist in building democratic institutions in the emerging democracies;
- NATO's most lasting effect may be to continue to act as an example for the East by continuing with its vision,

a vision of cooperation, not coercion; of open borders, not iron curtains. The reconciliation of ancient enemies, which has taken place under the umbrella of NATO's collective security, offers the nations of Eastern Europe an appealing model of international relations.¹⁴⁷

Taking these comments into consideration, Corterier defines six basic functions for the new NATO¹⁴⁸:

The concept that, because of the many uncertainties in the world today, the West is better off with NATO than without it is largely believed to be the prudent course. This "insurance policy" concept argues for designing a defense posture that capitalizes on new opportunities to reassess and reduce NATO military forces while preserving those elements which will be hardest to restore. The broad objective for NATO has not changed: to deter military attack against its members and to encourage reform and liberalization.¹⁴⁹ That is not to say NATO will not change; rather, the basic principles behind NATO are just as important for its members today as before.

¹⁴⁷Baker, "A New Europe, A New Atlanticism: Architecture for a New Era," p. 2-3.

¹⁴⁸Cortier, p. 149-155.

¹⁴⁹Robert M. Kimmitt, "Impact of Recent World Changes on U.S. Defense and Foreign Policies," by Under Secretary for Political Affairs, before the U.S. Senate Appropriations Committee Subcommittee on Defense, Washington, D.C., 27 February 1990, *United States Department of State, Bureau of Public Affairs*, Current Policy no. 1260, p.4.

Cortier argues that NATO will need to push for finalizing of the CFE treaty and consider now the contents of follow-on CFE agreements.¹⁵⁰ Public opinion may see the formal arms negotiating process as slowing down disarmament. Rather, unilateral disarmament may seem more attractive to many. A dissenting opinion comes from Larrabee, who claims that since the CFE framework is based on a NATO bloc to WTO bloc approach, it is obsolete. He calls for the negotiating of a new framework after CFE I is completed.¹⁵¹ Although the European balance in conventional forces is improving, nuclear weapons still play important political and deterrent roles in NATO strategy.¹⁵² NATO could assist in increasing the momentum to finish the negotiations on strategic arms reductions, known as START.

The Gensher plan for the unified Germany to be in NATO but with no NATO forces stationed in the former GDR now has substantial NATO support. Still, Treverton asks,

But what would NATO be in such circumstances, and what does demilitarization mean for a country that will still have a large army on its other half? Is it [sic.] reasonable, or wise, to expect a country to demilitarize the territory around its (future) capital?¹⁵³

Treverton warns that continued American insistence for a unified Germany as an *active* member in NATO runs the risk of eventually

¹⁵⁰Cortier, p. 150.

¹⁵¹Larabee, p. 10.

¹⁵²U.S. House of Representatives, Committee on Armed Services, Defense Policy Panel, *Statement by the Honorable Stephen J. Hadley*, p. 4.

¹⁵³Treverton, p. 7.

alienating the Germans because Germans may eventually see the United States as an obstacle to their unification. Regardless, there appears to be consensus in the West that NATO must address the German question, including dialogue within the CSCE framework with the WTO nations.

CSCE is increasingly being considered the model for the long-term solution to European security, with every nation engaged in a broad range of discussions ranging from many topics including security. CSCE began in the 1975 Helsinki Final Act and originally was associated with human rights. The organization includes 35 nations from Europe and North America. Especially encouraging for proponents of CSCE is the results of the CSCE Bonn Conference on Economic Cooperation in Europe held in April 1990. All members, including every WTO nation, recognized the CSCE process as being committed to "the relationship between political pluralism and market economies."¹⁵⁴

There are still many who are skeptical of CSCE because it is an organization with no formal structure and no headquarters that relies on conscience for resolution of disputes. Especially critical is Henry Kissinger who sees a this system as an unworkable alliance, where "a major rogue country would have a *de facto* veto over the actions of the so-called system as a whole."¹⁵⁵ Goodby counters:

¹⁵⁴Conference on Economic Co-operation in Europe, CSCE/KW2EB.15/Rev/1, "Proposal Submitted by the Delegations of Austria, Finland, Liechtenstein, Sweden, Switzerland and Yugoslavia - Final Document of the Bonn Conference", 11 April 1990, p. 6.

¹⁵⁵Henry A. Kissinger, "The All-European Security System," *The Baltimore Sun*, 16 April 1990, p. 15A.

The essence of European security lies in the process of creating an inclusive community of democratic nations. This is the special genius of the CSCE and this is the way in which the CSCE process can contribute to building a new European security system. In this sense, free elections are as much a security measure as ceiling on tanks.¹⁵⁶

Another alternative in long-range security is an all-European Security Council composed of select members of both alliances, including the two superpowers, as well as some neutral and nonaligned nations. Expanding the all-European dimensions of the current CSCE structure while transforming NATO in a more political directions would help to counter Soviets' and other European nations' fears of a reunited Germany. Germany could be tied to NATO and the all-European security system of which the Soviet Union and the former WTO countries would be an important part.¹⁵⁷

Regardless of the final structure of a future military and political order in Europe, Western nations will probably feel more comfortable with a collective security system like NATO. In the short- and mid-term, CSCE's most important contribution will be as a "facilitator and safety net."¹⁵⁸

NATO can provide an important strategic role in the reform of the East by remaining the security organization for Europe. NATO plays a fundamental

¹⁵⁶James Goodby, Distinguished Service Professor, Carnegie Mellon University and former U.S. Ambassador to Finland and Chief U.S. Delegation to the Conference of Disarmament in Europe, "The Diplomacy of Europe Whole and Free," paper presented at the "Helsinki II and the Future of Europe Conference", Woodrow Wilson Center, Washington D.C., 23-24 April 1990, p. 12.

¹⁵⁷Larrabee, p.9-10.

¹⁵⁸Goodby, p. 1.

role, by virtue of its being the only security-orientated Western institution. NATO provided a climate throughout its existence for West Europe to develop. It is stability that East Europe needs in order to succeed in its democratizing and economic development process. In addition, NATO can assist in the transformation by assuring the Soviet Union that it will not take advantage military of the present situation.

Out-of-area operations may become an important function for NATO. Through NATO, a common response to new threats could be devised. The new threats include drug trafficking, regional conflicts, environment, terrorism and military technology proliferation can be a better solution than individual action. In addition, NATO may be used in regional conflicts as a stabilizing force. With the proliferation of missiles and nuclear, chemical and biological weapons, regional conflicts may present a greater danger.

E. CONCLUDING THOUGHTS ON NATO

What ultimately distinguishes the alliance is not just its longevity, or its military force. NATO strives for a genuine community as outlined in the treaty's preamble.

They (NATO members) are determined to safeguard the freedom, common heritage and civilisation of their peoples, founded on the principles of democracy, individual liberty and the rule of law.¹⁵⁹

Details on the future of NATO are unclear today. Its future rests on its continued evolution and a joint effort with WTO nations to make a balanced military reduction. However, caution must be pointed out. The changes in

¹⁵⁹Quoted in Kaplan, p. 219.

Europe run the risk of placing a higher emphasis on European concerns over overall Western concerns (including North America). Western security includes North America. The United States will continue to feel a need to maintain a strong diplomatic, economic, and military presence in Europe. However, Europeans may begin wanting less of an American contribution in solving European questions. Therefore, there is a risk of conflicting interests.¹⁶⁰

In the United States, the events in Europe and the Soviet Union, as well as domestic fiscal problems, has caused the beginning of a national policy debate. Americans are attempting to establish a strategic road map to guide them the critical decisions. Part of the strategic road map deals with the defense budget and how it should reflect the historic changes of 1989.

¹⁶⁰Kaplan, p. 184.

VI. ANALYSIS OF THE BUDGETARY IMPLICATIONS OF NATO- WARSAW PACT CHANGES FOR THE U.S. DEPARTMENT OF DEFENSE

A. INTRODUCTION

After analyzing the affects the changes in the Soviet Union and Europe will have on NATO and Warsaw Pact nations, the study concludes with an analysis of implications to the United States Department of Defense budget. The United States moved into 1990 grappling with the debate on restructuring the U.S. military in response to a diminished Soviet threat, changes in Eastern and Central Europe and the nation's domestic problems. Within the debate has been the question of how the U.S. role in NATO has been affected by events in the Soviet Union and Europe.

The United States has largely fulfilled its historic responsibilities to post-World War II peace of building democracy, economic freedoms, and respect for human rights. The U.S. has assisted in the preservation of democracies in Western Europe during very trying times and has helped to create a new vibrant West Europe and Japan. For over 40 years, the United States, through NATO, has been committed to militarily defending its fundamental responsibilities. The events in 1989 are, by no small measure, a result of this commitment.

The victory of toppling tyranny in Eastern Europe is a fundamental victory for the United States, NATO and their strategy of containment, however, the victory poses new challenges and dangers. All free people can

rejoice in the victory, but, Americans move on as a nation to face other challenges.

We have no choice. The United States faces complex and serious economic problems, such as its trade deficit, a federal budget deficit of approximately \$160 billion (three percent of GNP), sluggish productivity and growth and low savings rates, that over the long term may jeopardize its prosperity and standing as a superpower. Although the United States initiated much of the evolving world's technology, it is increasingly not the one using it in commercial products. The majority of all major U.S. manufacturers depend on foreign-made components.¹⁶¹ The economic quicksand the United States may be falling into has not been remedied by its political system which seems unable to reach a consensus for meaningful progress.

The executive branch seems unwilling to take an integrated approach and the legislative branch has become so devoted to servicing constituent short-term interests and political in-fighting that few of its members think in terms of long-term national interests. Bipartisan solutions seem harder to reach the more the problems fester.

With these problems in the United States at a time when major changes are occurring in the Soviet Union and the rest of Europe, the U.S. Department of Defense is facing dramatic transformation of new missions,

¹⁶¹Center for Strategic and International Studies, *Conventional Combat Priorities: An Approach for the New Strategic Era*, May 1990, p.9.

force structure, and strategy to enable the United States to meet future national security challenges. McNamara stated,

Gorbachev is presenting us with the greatest opportunity in forty years to shift the basis for the formulation of U.S. foreign aid and defense policy from 'Cold War' thinking to a totally new vision of Superpower relations... Presented with that opportunity, it is time to rethink our military requirements to assure a clear articulation between foreign policy, security commitments, threat assessments, military strategy, force structures, and defense budgets.¹⁶²

The United States' role in Europe and to some extent in the world generally has been altered. The Department of Defense (DOD) must acknowledge that fundamental and irreversible changes have taken place. At the same time, DOD must not allow the defense budget debate to be swept away with euphoria; DOD must be prepared for new uncertainties. The possible end of the Cold War does not mean the end of political, military, and economic rivalry amongst nations. The changes in the Soviet Union and Europe do not mean the end of struggle for power and influence in that part of the world.

Therefore, DOD must be an integral element in determining the future role of the U.S. military and having forces reflect it. Now is the time to examine our next steps. President Bush's 1991 defense budget plan is the first defense budget that responds to the 1989 events in the Soviet Union and

¹⁶²U.S. Senate, Committee on the Budget, *Testimony of Robert S. McNamara, To the Committee on the Budget of the United States Senate*, presented 12 December 1989, p. 1.

Europe and may cause the "longest, most acrimonious, and, ultimately, most divisive U.S. defense budget debate of the entire post-WWII era."¹⁶³

B. BUSH ADMINISTRATION 1991 DEFENSE BUDGET

Defense Secretary Richard B. Cheney sent to Congress the Administration's fiscal year (FY) 1991 DOD budget request amounting to \$295.1 billion in budget authority (BA) and \$292.1 in outlays. Although the BA totals were \$10 billion less than the 1990 Reagan request of \$305 billion, Cheney anticipated congressional calls for further cuts. In his budget statement to Congress in February 1990, we emphasized the need for careful and prudent cuts and a United States' military structure based on known threat capabilities.

Facing the uncertainty implied by this ongoing transition, America's best stance is steadiness in its defense policies and posture in the short term. We must make our military adjustments with an eye toward genuine reductions in risks, not in anticipation of how we hope global events will evolve.¹⁶⁴

In response to American global commitments and to counter neo-isolationist tendencies, Cheney stated,

America's national security strategy should continue to opt for global involvement over isolation. America's enduring global interest require a significant ability to counter threats affecting those interests. We must

¹⁶³James D. Hessman, "Glasnost-Induced Budget Cuts Imperil U.S. Defense Program," *Sea Power*, March 1990, p. 25.

¹⁶⁴U.S. House of Representatives, Committee on the Budget, *Statement of The Secretary of Defense, Dick Cheney, Before the U.S. House of Representatives Committee on the Budget, in connection with the FY 1991 Budget for the Department of Defense*, 7 February 1990, p. 1.

maintain a forward presence in cooperation with our allies and friends in key areas such as Europe, the Mediterranean, Asia, and the Pacific.¹⁶⁵

The budget request was based on the broad national interest objectives of:

- The survival of the United States as a free and independent nation with its fundamental values intact and its institutions and people secure;
- A healthy and growing U.S. economy to ensure opportunity for individual prosperity and a resource base for national endeavors at home and abroad;
- A stable and secure world, fostering political freedom, human rights, and democratic institutions; and
- Healthy, cooperative and politically vigorous relations with allies and friendly nations.¹⁶⁶

The issue of burden sharing was included in the overall national strategy which lead to the President's budget. The President stated in his administration's National Security Strategy Report for 1990 that the United States looks to its allies to assume a greater share in providing for the common defense. He warned that the events of 1989 should not be used as an excuse to replace burden sharing with 'burden shedding'.¹⁶⁷ The argument to maintain of a strong alliance included a push for specialization of roles and missions among NATO nations. "As we and our allies adjust our military posture, each should emphasize retaining those roles it is uniquely or better able to fulfill."¹⁶⁸ This is bound to be interpreted by some to mean that the

¹⁶⁵Ibid, p. 2.

¹⁶⁶The White House, *National Security Strategy of the United States*, March 1990, p. 1-3.

¹⁶⁷Ibid, p. 26.

¹⁶⁸Ibid, p. 24.

European members of NATO should assume the primary responsibility for the initial forward ground defenses and that the U.S. continue to be the primary nuclear and space force.

The military component of the national strategy is based on deterrence, strong alliances, a forward deployed defense, and force projection. The cornerstone of the U.S. national security remains deterrence of nuclear attack.

The specific defense budget priorities that shape the FY 1991 request are:

- People: DOD must continue to recruit and retain high-quality military and civilian professionals, emphasizing training, quality-of-life, and career satisfaction.
- Strong nuclear forces/strategic defenses: DOD needs to maintain modern and survivable nuclear forces in order that U.S. deterrent is completely credible to any possible aggressor.
- Versatile, ready, deployable, and sustainable conventional forces: U.S. forces must have the capability to respond correctly and quickly to any contingency worldwide.
- Continued maritime superiority: The United State, being a maritime nation and dependent on overseas trade and resources, must maintain a naval power capable of ensuring access to critical sea lines of communications and projecting military power in the ares of U.S. interest with less reliance on foreign bases or overflight rights.
- Reserve forces and mobilization: With the reduction of U.S. military active forces, DOD must continue to improve the ability to mobilize reserve forces including, personnel, logistics, infrastructure, planning, and industrial base.
- Special operations forces: DOD must maintain a strong special operations forces to deal with the rising threat of low-intensity conflict, from terrorism to armed insurgencies.¹⁶⁹

The FY 1991 defense budget request responded to the global changes taking place in the following manner:

¹⁶⁹U.S. House of Representatives, Committee on the Budget, *Statement of The Secretary of Defense, Dick Cheney*, p. 5-6.

- **Manpower Plans:** Active duty end strength will be reduced 91,400 to a total of 2,038,800. This reduction will put the overall active duty force to approximately the same level as FY 1980 and the Army and Air Force levels to 1950. DOD civilian end strength will reduce of 21,000 to a total of 1,095,741. In addition, a civilian hiring freeze has been imposed.
- **Force Reduction Plans:** The Army plans to eliminate two active Continental U.S. (CONUS) divisions. The Air Force will deactivate 14 B-52 aircraft in FY 1990 and will close the associated support activity in FY 1991. The Marine Corps will begin planning for the deactivation of 14 artillery batteries. The Navy will retire two battleships and begin planning for the deactivation of one nuclear cruiser in FY 1992 and another over the three planned for deactivation in the April budget revision. The Navy also plans to deactivate two SSN-637 class submarines.¹⁷⁰

The underlying strategy of Cheney's 1991 budget proposal favored strategic programs. He proposed continuing new Midgetman ICBMs, the MX missile in rail garrison basing, the B-2 Stealth bomber, and sustained funding for the Strategic Defense Initiative (SDI). The defense budget was also based on maintaining an investment in research and development for the purpose of maintaining technological military superiority. It was also based on the commitment for a competitive strategy which exploits U.S. strengths to make Soviet armament less threatening.

At the same time, there are calls to reduce the defense budget, there is mistrust in the way DOD spends. The President addressed, in both the National Security Strategy Report and the DOD Budget Report, the need for people to be confident in the use of their defense dollars. Reforms initiated by Bush are based on the Packard commission's recommendations of 1985 and

¹⁷⁰Ibid p. 7.

the Defense Management Review is intended to implement improvements in defense acquisition. The implementing process includes:

- Reducing overhead Costs while maintaining military strength: DOD is tasked with streamlining the acquisition structure, including clear lines of responsibility and authority. Services' systems and material commands are being reorganized to focus on logistics and support services, all contract service are being consolidated under the Defense Logistics Agency (DLA), and a Corporate Information Management structure is being developed to provide more efficient data processing and information systems.
- Enhancing program performance: Whereas the military departments under the Reagan administration largely ignored the people in the office of the undersecretary for acquisition, Bush followed through on the Packard commission's recommendation and enhanced the role of this undersecretary. In addition, programs have to meet defined milestones and satisfy specific criteria before continuing further in the acquisition process, and the services are now tasked with creating a corps of officers who will make acquisition a full-time career.
- Reinvigorating Planning and Budgeting: The administration is planning to reinvigorate the Planning, Programming, and Budgeting System (PPBS) through the Defense Planning and Resource Board. Bush has also created a new Executive Committee, chaired by the Secretary of Defense, to review overall DOD policies and permit regular exchanges on key issues.
- Reducing micromanagement: A new streamlined set of directives are to be issued to all services by the DOD that permits action at the working level without additional policy guidelines. Here is where the Bush Administration calls on Congress to work together to overhaul the statutory framework for defense acquisition in order to increase efficiency in the acquisition process.
- Strengthening the defense industrial base: Incentives to invest in new facilities are being explored.
- Improving the observance of ethical standards: A DOD Ethics Council was developed to review existing compliance standards. The goal is to strengthen ethical standards within DOD and with industry and to

create a working environment where the standards are understood and enforced.¹⁷¹

The administration's response to the current environment pushed the prudent approach in reshaping America's military posture. It called for cautious and efficient adjustments to the actual changes in the threats and coordinated arms reduction with allies. Finally, it challenged legislators to allocate defense spending to meet objectives based on national security interests, not domestic political or economic concerns.¹⁷²

The national debate on alternative defense budgets is flourishing in light of events and Bush's response. This debate has created an intellectual and political environment in which participants, including all sector of the government, academia, industry, citizen groups, etc., are articulating their options for the future of DOD.

C. SENATOR NUNN'S ALTERNATIVE

Senator Sam Nunn appears to have provided the most comprehensive alternative to the current military strategy. In his "Defense Budget Blanks" speech on 22 March 1990, Senator Nunn claimed the Presidents FY 1990 Defense Budget Request and Five Year Defense Plan (FDYP) contained five big "blanks."

- Threat blank: The threat to overall U.S. national security is based on old assumptions that did not reflect the changes in 1989:
- Strategy blank: The development of a new military strategy to respond to the changes in the threat has not occurred.

¹⁷¹Ibid, p. 31-32.

¹⁷²Ibid, p. 15.

- Dollar blank: Secretary Cheney indicated that the FDYP has been reduced by \$167 billion from 1990's FDYP yet, DOD has identified only \$70 billion. Budget reduction of this amount requires significant restructuring. If the U.S. has no way of viewing the defense programs' outyears it cannot properly judge the FY 1991 defense budget.
- Force structure blank: Secretary Cheney and Joint Chief of Staff (JCS) General Powell have both indicated that military force size will be reduced over the next five years if CFE and Start agreements are finalized. However, DOD has not provided a force structure reduction plan beyond FY 1991.

Program blank: DOD reviews of major programs such as the B-2 bomber, the C-17 transport, the Advanced Tactical Fighter (ATF), the Advanced Tactical Aircraft (ATA), and SDI. So far, DOD has provided a review report on the C-17, ATA, and ATF, but not SDI. A report on SDI is still needed in order to review before Congress can authorize and appropriate money for SDI.¹⁷³

Senator Nunn has concluded that a new military strategy should consist of five essential elements:

- Although nuclear deterrence should continue to be the cornerstone of our military strategy for the short- and mid-term, it should be achieved at much lower levels and with a much higher degree of stability (with reduced incentives for the Soviet Union to strike first);
- Deployed forces should be reduced consistent with changes in the threat. Even more emphasis should be placed on specialization within NATO and there should be a greater reliance on reinforcements with deployable U.S. forces to support the allies;
- More forces should be put in reserve status specifically structured for a reinforcement mission;
- Initiate a "flexible readiness" concept of high readiness for certain forces and adjustable readiness for other forces; and

¹⁷³U.S. Senate, *Speech of U.S. Senator Sam Nunn on "Defense Budget Blanks,"* presented 22 March 1990, p. 4-8.

- Defense management and resources should be guided by 'think smarter, not richer (or more expensive)' This includes the fly before buy acquisition concepts, reducing costs of procuring and maintaining weapons, improving existing platforms and reducing new start, initiate innovative research to preserve our technological superiority and preserving a viable defense industrial base.¹⁷⁴

According to Senator Nunn, implementation of his new military strategy will permit a BA reduction of \$25-27 billion in FY 1991 with associated outlay reduction of \$9-10 billion. He has, thus, recommended a FY 1991 defense budget of \$289-291 billion in BA and \$297-298 billion in outlays.¹⁷⁵ Over a five year period, Senator Nunn claims implementation of his strategy could save approximately \$225-255 billion in BA and \$180-190 in outlays from FY 1990 to FY 1995. The specifics required under his plan are:

- Maintain nuclear deterrence at lower levels and with greater stability by: keeping SDI Funding at the current appropriated levels of \$3.8 billion; slowing procurement of the rail MX and continue Midgetman but with the goal of deploying the missiles initially in existing Minutemen ICBM silos; and stopping development of a replacement to the Lance missile system (Bush has already announced cancellation to the replacement development).
- Reduce forward deployed forces, increase specialization and emphasize reinforcement by: reducing U.S. troops in Europe to 75,000-100,000 within five years; retaining reception forces (tactical planning units, intelligence and surveillance units, command and control forces) at the present level; emphasizing temporary assignment of forces overseas including periodic rotation of Guard and Reserve units, emphasizing lighter and more lethal Army and Marine forces, emphasizing the mobility of forces including introducing a vigorous sealift program; reducing naval deployments and operational patterns, retire older, single purpose combat systems; and promote roles and mission competition amongst the military services such as a sea control

¹⁷⁴U.S. Senate, *Speech of U.S. Senator Sam Nunn on "Implementing a New Military Strategy: The Budget Decisions*, p. 1-2.

¹⁷⁵*Ibid*, p. 3.

competition between the Navy's carrier battlegroups and the Air Force's long range bombers and tankers.

- Greater utilization of the reserves by: increasing the number of aircraft in reserve units, and transferring some missions currently conducted by active duty to reserve units such as the tactical airlift mission or naval countermine warfare.
- Flexible readiness (readjusting the readiness status of various forces based on the threat, warning time, and availability of lift to transport forces) by: launching a major program to invest in simulators to permit enhanced proficiency training without employing expensive field training;
- Implement a new resource strategy by: returning to the "fly before buy" concept (conduct initial operational testing and evaluation before constructing large amounts); emphasizing product improvements to existing weapon systems as a alternative to designing new generations of weapons; developing an approach to eliminate excessive production capacity if the prime contractors' production rate falls to inefficient levels; streamlining military services' headquarters organizations; stopping projections of unrealistic high production rates; and conducting cooperative research and development between the United States and its allies.

Implementing Senator Nunn's military strategy and consequent defense budget would mean significant changes to the United States relationship within NATO. Reducing U.S. troops in Europe to 75,000-100,000 within five years will require changes in the respective roles within NATO of the U.S. and the allies that will go beyond the current reductions in manpower and equipment. The United States role in a new NATO will be:

- The new NATO will have to rely on "specialization through builddown."¹⁷⁶ For the United States, this will require placing less emphasis on forward-deployed heavy units and more emphasis on rapidly redeployable forces capable of dealing with major regional conflicts of crises outside Europe. Also, the United States will have to

¹⁷⁶ Sam Nunn, "Challenges to NATO in the 1990's, *Vital Speeches of the Day*, delivered before the International Institute for Strategic Studies, London, England, 4 September 1989, pp. 135-40, v. LVI, no. 5, 15 December 1989, p. 138.

place a higher priority on providing major air components if adequate shelters and minimum essential facilities are constructed by NATO. Under Nunn's proposal, the U.S. will continue to be the main provider of NATO's nuclear deterrence. The European members will have to assume the primary responsibility of initial forward ground defenses. The European initial forward ground defenses will have to be heavily anti-armor and would not be able to rely on large numbers of forward-deployed U.S. ground forces. Nunn suggests that the U.S. ground force commitment to NATO should be restructured to provide NATO's mobile strategic reserves, rather than NATO's forward defenders.

- Nunn suggests U.S. peacetime ground presence in Europe be largely lead elements of combat units and combat support units. The support units should include tactical planning elements, intelligence and surveillance units, and command and control forces.
- The U.S. should maintain large prepositioned stocks of combat and support equipment in Europe. Initial U.S. reinforcements of NATO could be accomplished by transporting Army combat personnel from the U.S. to Europe in order to break out prepositioned combat equipment and reinforce NATO ground forces.
- Under Nunn's proposal, the U.S. would maintain some tactical air force units in Europe for conventional and nuclear missions. The amounts are not clear but the idea is to provide significant tactical air reinforcement from the United States to Europe. At the same time, Nunn calls on NATO to share in providing adequate numbers of semi-hardened aircraft shelters, fuel and ammunitions storage, and maintenance and operations areas at co-located operating European bases.
- Finally, Nunn's plan calls for a new relationship for France in NATO. Under his plan, the United States should strive to reach an agreement with France to allow U.S. use of French ports, airbases, etc., for U.S. reinforcing units in a period of emergency. This does not require U.S. forces stationed in France but, does necessitate occasional joint exercises of reentry capability between the United States and France.¹⁷⁷

NATO'S strategic strategy would change under Nunn's plan. NATO's reliance on the threat of an early first use of short-range nuclear weapons to

¹⁷⁷U.S. Senate, *Speech of U.S. Senator Sam Nunn on "Implementing a New Military Strategy: The Budget Decisions*, p. 10-11.

deter conventional attack is no longer credible. Ground-based nuclear missiles and nuclear artillery in Europe should be phased out. There is still a requirement to deter Soviet use of nuclear weapons in Europe though. Nunn suggests that NATO emphasize tactical air-delivered nuclear bombs and missiles, including Tactical Air to Surface Missile (TASM), and adjust its modernization and arms control planning accordingly. In order to provide shared risks and survivability, NATO's tactical air-delivered nuclear weapons should be widely deployed at airfields throughout NATO, including in the FRG.

Nunn's shift in key military missions challenges DOD to develop the best defense program it can consistent with the remarkable changes that have and continue to occur in the world. His goal of BA reduction of \$25-27 billion in FY 1991 and savings of \$225-255 billion in BA and \$180-190 billion in outlays over the next five years will require tough decisions.

The Army will suffer most of the troops reductions in Nunn's recommendation to bring the number of U.S. troops in Europe to 75,000-100,000 over the next five years. The Army would have to redirect research and development away from heavy new systems toward lighter, more lethal advance technology systems. Nunn proposes the Army should examine the following combat systems to determine whether or not they should be eliminated or retired earlier than planned:

- OH- 58 helicopters
- UH-1 helicopters
- Ch-54 helicopters
- M-60 tanks
- M901 Improved TOW vehicles

- 8 inch howitzers
- Vulcan air defense guns
- IV-1 surveillance aircraft.

Under Nunn's proposal, one of the key issues with the Air Force will be to make the B-2 bomber program more affordable. In addition, the Air Force will be forced to adequately test the B-2 before being allowed to increase the production rate above the two to three production aircraft per year that the Congress has authorized in the past. The tactical airlift mission could be transferred to the reserves. The Air Force will, under Nunn's plans be asked to examine the following combat systems to determine whether or not they should be eliminated or retired earlier than planned:

- RF-4 reconnaissance aircraft
- OA-37B observation aircraft
- OV-10 observation aircraft
- C-22 transports
- C-140 transports
- HH-1 helicopters
- CH-3 helicopters
- B-52 bombers
- Minuteman II missiles

The most significant impact Nunn's plan would have for the Navy would be a re-evaluation of battlegroup deployments. Since the Soviet Navy have reduced out-of-area (OOA) operations substantially in the last few years, Nunn perceives no need for the Navy's six month deployments. He believes the Navy can retain and exercise the capability to send carrier battle groups worldwide without six month deployments in traditional operating areas. Nunn estimates that a reduction in deployments and operational patterns

could save approximately \$12-15 billion in operating costs over the next five years. With Nunn's emphasis on mobility forces, the Navy will be tasked with providing a stronger sealift program. The Marine Corps., like the Army, will be forced to move away from heavy forces to lighter, core lethal systems.¹⁷⁸

An interesting concept in Nunn's call for greater transferring of missions currently conducted by active duty forces to Guard/Reserve units is the concept of "nested" ships. The nested ships concept would apply to ships that the Navy that does not routinely deploy with battlegroups, for example, antisubmarine warfare frigates. The Navy could, under the nested ships concept, station these non-deploying ships together into small groups of four to five. One of the ships would be designated the mother ship and would be manned 100 percent by active duty personnel. The remainder of the ships in the "nest" would be manned by reserves. The active duty personnel would be responsible for maintenance of all ships in the nest and training the reserve crew for combat proficiency in an emergency.

The Navy/Marine Corps will be asked to examine the following combat systems to determine whether or not they should be eliminated or retired earlier than planned:

- F-4 aircraft
- A-4 aircraft
- KA-6 tankers
- OA-4 observation aircraft
- A-7 strike aircraft

¹⁷⁸Ibid, p. 11.

- RF-4 reconnaissance aircraft
- OV-10 observation aircraft
- CH-53A model helicopters
- nuclear guided missile cruisers
- P-3A/B model patrol aircraft
- SH-3H helicopters

One of Senator Nunn's most interesting initiative is his suggestion to encourage the military services to engage in "constructive competition for roles and missions."¹⁷⁹ Competition of roles and missions would force civilian and military leader to break out of the pattern of looking at problems in traditional ways. Competition would help to integrate the various capabilities of the services and do a great deal to eliminate redundancy. Competition would also foster greater coordination among the services in accomplishing a joint task. Specific areas for constructive competition are:

- Sea control competition between the Navy's carrier battlegroups and the Air Force's long range bombers and tankers;
- Force projection competition between Army/Air Force and Marine Corps/Navy;
- Close air competition between air support competition between the Army's attack helicopters and the Air Force's fixed wing aircraft;
- Close air support, battlefield air interdiction, air superiority, tactical airlift, and anti-submarine warfare patrol coverage competition between active and reserve components;
- Competition between the Air Force with its dependence on large satellites and the Defense Advanced Research Projects Agency, and others advocating smaller satellites electronically linked and launched by inexpensive launch vehicles;
- Inter-service competition to provide specific training and education;

¹⁷⁹Ibid, p. 10.

- Inter-service depots competition for ongoing modification and support of fielded weapon systems;
- Central services and support competition between all services and the Defense Agencies; and
- Competition between stealth Air Force aircraft and Navy fleet air defense systems to test the advertised performance and capabilities of each system.

Constructive competition could lead to refinement of capability for each service and better integration of those capabilities at lower costs.

The Bush Administration has started on the road to redefining national security and defense strategy for the United States in view of the changing relationship between West and East since the events in 1989 and in an era of fiscal constraints. The current National Security Strategy Report and the DOD Budget Report reflects the first attempts in this difficult process. The Administration has attempted to seize the opportunities presented by events and situations and, at the same time, ensure that U.S. military power continues to be strong for the uncertainties of the future.

Alternatives to the present defense strategy have flourished. Senator Nunn has presented one of the most articulate and comprehensive options for the U.S. defense of tomorrow. One of the most important contributions Senator Nunn has made with his alternative defense program and budget is to set a standard for discussion on defense.

The defense plan and budget of tomorrow requires four essential ingredients: Fast planning, clear strategy, congressional consultation, and popular support.

The administration, DOD, and all interested parties will have to move quickly and make decisions on the direction of the defense budget plan very

quickly in order to prevent piecemeal decisions. A recent report from the Center for Strategic and International Studies stated, "Building without a strategy is foolish; building down with one could be disastrous."¹⁸⁰

A clear strategy for each of the military services is required. Otherwise, each service will reduce its forces based on political needs, not on a consolidated strategy focussed on the primary threats to national security.

The Administration and Congress must come together and work on the DOD budget immediately. Some legislators desire large cuts; some legislators want to maintain our defense, as is, for security assurance. Senator Nunn is one of the legislative leaders that can help create political support. Men with the knowledge and commitment as him should be involved early in planning of security strategy and legislative tactics.

Finally the defense debate should be done to include other segments of society. Many industries and communities will be affected by final decisions on defense. These people should be included in order to build political support.

¹⁸⁰Ibid, p. 21.

VII. CONCLUSIONS

A. SUMMARY

The objective of this thesis was to assess the current military forces structure and alignment in NATO and the Warsaw Pact nations; review the changes that appear to affect the status quo; analyze the options and implications of change for the Soviet Union, Eastern Europe, Western Europe; review the implications to the United States in terms national security interests and forces deployment; and, analyze the United States Department of Defense's possible options in terms of forces and the budget. This thesis was based on research data via a comprehensive review of literature and also through personal interviews conducted with academics, national security and defense officials and congressional staffs.

B. ANALYSIS

Analyzing the changes in the Soviet Union and Eastern Europe, it appears that the changes are probably irreversible in several important areas. There is relatively little chance of the Soviet Union regaining its hegemony in Eastern Europe. The Marxis.-Leninist ideology is now discredited throughout Europe. All countries in Europe have indicated a desire for democratic pluralism and market models of economic development. Some of the Eastern European nations are well on their way to such a goal, such as Hungary and Poland; others are not on yet on their way, such as Romania and Bulgaria. All the Eastern European nations will have difficulty in making the transitions they desire. The long term outlook for the Soviet

Union is very uncertain. Instability in that country is fueled by serious and ever mounting economic problems.

As a result of the changes in Eastern Europe and the Soviet Union, the Warsaw Pact threat to NATO and the United States has been significantly reduced. The Soviet Union could not now count on Eastern Europe in attacking Western Europe. The Soviets have tentatively agreed to remove all or most of its troops from Hungary, Czechoslovakia, and Poland. The Soviet drawdowns already carried out due to President Gorbachev's speech at the United Nations in December 1988, have lengthened the time it would take for Soviets to mobilize a large scale attack in Europe.. However, the Soviet Union continues to have a large and capable military force.

The future of European security is just now being formulated. The issue of Germany is central to European security. Options for future security structures abound which include NATO, the EC, CSCE, etc.. NATO has a valuable contribution to the new European architecture. NATO can assist in overcoming the divisions in Europe and can continue to reflect its members' security. A new mission for NATO is needed which will reflect a greater emphasis on NATO's political capabilities. NATO can greatly assist in reaching arms control agreements, confidence-building measures, and other political consultative arrangements with the WTO nations. As East-West confrontation recedes and the prospects for East-West cooperation advance, NATO can contribute to meeting the new challenges and helping in determining the path for the evolution of European and Atlantic security.

The events in Europe and the Soviet Union, plus national fiscal austerity, makes a debate on defense inevitable in the United States. A careful

evaluation of the United States military structure, strategy and budget is necessary. Americans must revise the military budget to seize the opportunities presented by the events in 1989. At the same time, Americans must maintain a military capable of defending our interests and meeting the uncertainties of the future. Many options for future defense budgets are available. Senator Nunn has provided a very comprehensive study on this subject. The true challenge for future military budgets will be to use the international opportunity to save money in a sensible manner that matches defense spending with military strategy.

C. FUTURE DIRECTION

Follow-on study relating to the implications of the changing relationships in NATO and the Warsaw Pact to the DOD budget could expand this thesis.

Future research could include review of :

- U.S. commitment to Western Europe in view of the altered defense conditions in Europe.
- NATO's future conventional requirements and political and military implications of a lack of a strategic nuclear force agreement.
- U.S.'s new logistic problems and ways to combat them if U.S. forces are reduced in Western Europe.
- Cost benefit analysis of removing U.S. troops in Western Europe and reaching an agreement with France for U.S. aircraft to use French airfields, airbases, etc, in case of emergencies.
- Improved U.S. intelligence capabilities and the cost to improve U.S. intelligence capabilities to help offset fewer troops in Western Europe.

LIST OF REFERENCES

Baker, J., A., "A New Europe, A New Atlanticism: Architecture for a New Era," prepared address to the Berlin Press Club at the Steigneverger Hotel in Berlin, 12 December 1989, *United States Department of State, Bureau of Public Affairs*, Current Policy no. 1233.

Baker, J., A., "From Revolution to Democracy: Central and Eastern Europe in the New Europe," prepared address at Charles University, Prague, Czechoslovakia, 7 February 1990, *United States Department of State, Bureau of Public Affairs*, Current Policy no. 1248.

Baker, J. A., "Imperatives of Economic Reform: Change in Soviet and East European Economies," prepared statement before the U.S. House of Representatives House Ways and Means Committee, Washington, D.C., 18 April 1990, *United States Department of State, Bureau of Public Affairs*, Current Policy no. 1270.

Baker, J. A., "Points of Mutual Advantage: Perestroika and American Foreign Policy," prepared address for the Foreign Policy Association, New York City, 16 October 1989, *United States Department of State, Bureau of Public Affairs*, Current Policy no. 1213.

Blechman, B. M., "Dialogue on Changing Soviet Forces, " *The New York Times*, 16 January 1989.

Bolkcom, C. C., *NATO Burdensharing: An Analysis of Major Legislation in the 100th Congress*, Congressional Research Service, 3 January 1989.

Brada, J. C., "West European Economic Integration and East European Disintegration: Managing the Transition to a New Phase of European

Economic Relations," paper presented at the "Helsinki II and the Future of Europe Conference," Woodrow Wilson Center, Washington D.C., 23-24 April 1990.

Bremont, M., "Reflections on Soviet New Thinking on Security," *Naval War College Review*, pp. 5-21, v. XLII, no. 4, Seq. 328, Autumn 1989.

Center for Strategic and International Studies, *Conventional Combat Priorities: An Approach for the New Strategic Era*, May 1990.

Committee on Armed Services, *Interim Report of the Defense Burdensharing*, U.S. Government Printing Office, 1988.

Conference on Economic Co-operation in Europe, CSCE/KW2EB.15/Rev/1, "Proposal Submitted by the Delegations of Austria, Finland, Liechtenstein, Sweden, Switzerland and Yugoslavia - Final Document of the Bonn Conference," 11 April 1990.

Cortier, P., "Quo vadis NATO?" *Survival*, pp. 141-156, v. XXXII, March/April 1990.

Encyclopedia Britannica, 15th ed., Encyclopedia Britannica, 1987, 3, 21:799.

Eyal, J., "The Warsaw Pact: Does It Have a Future?," *European Security Analyst*, February 1990.

Fialka, J. J., "Soviets Losing Control Over Allies in Arms Talks, U. S. Officials Say," *Wall Street Journal*, 9 November 1989.

Foot, P., *Defense Burden-Sharing in the Atlantic Community 1945-1954*, Center for Defense Studies, 1981.

Foreign Broadcast Information Service, "East Europe," 9 January 1989.

Fritsch-Bournazel, R., *Fondation Nationale Des Sciences Politiques (CERI)*, Paris, "Germany and Europe: Old Dilemmas, New Solutions?," paper

presented at the "Helsinki II and the Future of Europe Conference," Woodrow Wilson Center, Washington D.C., 23-24 April 1990.

Genscher, H., *Speech at the meeting of the Institute for East-West Security Studies, Potsdam, 11 June 1988*, German Information Center, 13 June 1988.

Genscher, H., *Speech at the meeting of the Western European Union, Luxembourg, 23 March 1990*, German Information Center, 30 March 1990.

Gertz, B., "13,322 Warheads Credited to Soviets," *The Washington Times*, 23 April 1990.

Gibowski, W. G., and Semetko, H. A., *Public Opinion in the USA and the Federal Republic Germany: A Two Nation Study*, Friedrich-Naumann-Stiftung, March 1990.

Goodby, J., "The Diplomacy of Europe Whole and Free," paper presented at the "Helsinki II and the Future of Europe Conference," Woodrow Wilson Center, Washington D.C., 23-24 April 1990.

Greenhouse, S., "German Businesses Racing toward Unity," *The New York Times*, 15 March 1990.

Hahn, W. F., "NATO and Germany," *Global Affairs*, pp. 1-18, Winter, 1990.

Harden, B., "Poland Hit by Severe Recession," *The Washington Post*, 17 March 1990.

Hessman, J. D., "Glasnost-Induced Budget Cuts Imperil U.S. Defense Program," *Sea Power*, March 1990.

Hoagland, J., "Europe's Destiny," *Foreign Affairs*, pp. 33-50, v. 69, no. 1, 1990.

Hoagland, J., "Europe's Destiny," *Foreign Affairs*, pp. 33-50, v. 69, no. 1, 1990.

Howard, M., "The Springtime of Nations," *Foreign Affairs*, pp. 17-32, v. 69, no. 1, 1990.

Hunter, R. E., "Beyond the Cold War: The European Agenda," *The Washington Quarterly*, pp. 35-49, Autumn 1989.

Janes Defense Weekly, "General Details Polish Forces Cuts," 17 June 1989.

Joffe, J., "Once More: The German Question," *Survival*, pp. 129-140, v. XXXII, March/April 1990.

Kaplan, L. S., *NATO and The United States: The Enduring Alliance*, Twayne Publishers, 1988.

Kimmitt, R. M., "Impact of Recent World Changes on U.S. Defense and Foreign Policies," by Under Secretary for Political Affairs, before the U.S. Senate Appropriations Committee Subcommittee on Defense, Washington, D.C., 27 February 1990, *United States Department of State, Bureau of Public Affairs*, Current Policy no. 1260.

Kissinger, H. A., "The All-European Security System," *The Baltimore Sun*, 16 April 1990.

Kondracke, M., "Who Needs NATO?" *The New Republic*, 5 March 1990.

Krammer, M.k., "Beyond the Brezhnev Doctrine," *International Security*, Vol. 14, No. 3, Winter, 1989/90.

Langer, W. L., ed., *An Encyclopedia of World History*, Houghton Mifflin, 1972.

MccGwire, M., "Perestroika and Soviet National Security - VII: Gorbachev Assumes Command, 1987-88," paper presented to the Brookings Institute, December 1989.

MccGwire, M., "Perestroika and Soviet National Security - VIII: 1987-88, Rethinking War," paper presented to the Brookings Institute, February 1990.

Meyer, S. M., "The Sources and Prospects of Gorbachev's New Political Thinking on Security," *International Security*, pp. 124-163, v. 13, no. 2, Fall 1988.

Nelson, D. N., "Watching the Pact Unravel: The Transformation of East European Political-Military Policies," paper presented to the Carnegie Endowment for International Peace, 1990.

New York Times, "The Two Spheres," p. A11, 1 December 1989.

Nunn, S., "Challenges to NATO in the 1990's, *Vital Speeches of the Day*, delivered before the International Institute for Strategic Studies, London, England, 4 September 1989, pp. 135-40, v. LVI, no. 5, 15 December 1989.

Odom, W. E., "Gorbachev's Strategy and Western Security: Illusions Versus Reality," *The Washington Quarterly*, pp. 145-155, v. 13, no. 1, Winter 1990.

Paul, L., "United Germany urged to be in NATO," *The New York Times*, 15 February 1990.

Pork, A., "Global Security and Soviet Nationalities," *The Washington Quarterly*, v. 13, no. 2, Spring 1990.

Randal, J. C., "Prague Name-Changing Feud Stirs Slovak Nationalism," *The Washington Post*, 5 April 1990.

Riding, A., "Hungary Seeks Withdrawal Of Soviet Forces in Two Years," *The New York Times*, 19 November 1990.

Rowen, H., "Europe 1992," *The Washington Post*, 12 April 1990.

Schopflin, G., "The End of Communism in Eastern Europe," *International Affairs*, pp. 3-16, v. 66, no. 1, January 1990.

Shroeder, P., "1848 and 1989: The Perils and Profits of Historical Comparisons," paper presented at the "Helsinki II and the Future of Europe Conference," Woodrow Wilson Center, Washington D.C., 23-24 April 1990.

Stoltenberg, G., "German Unity and European Security," *Speech at the Johns Hopkins University, Washington D.C.*, 1 May 1990.

Talbott, S., *Time*, 1 January 1990.

The New York Times, "Excerpts From Czech Chief's Address to Congress," 22 February 1990.

The Times, "Kremlin to Bring Home all Troops by the Year 2000," 16 December 1989.

The White House, *National Security Strategy of the United States*, March 1990.

Treverton, G. F., "Reconstructing European Security," Council on Foreign Relations, March 1990.

U.S. Congress, *Allocation of Resources in the Soviet Union and China*, 1986, U.S. Government Printing Office, 1988.

U.S. Department of the Navy, *Statement by Admiral C.A.H. Trost, U.S. Navy Chief of Naval Operations Before the U.S. House Appropriations Defense Subcommittee on the Posture and Fiscal Year 1991 Budget of the United States Navy*, presented 22 February 1990.

U.S. House of Representatives, Committee on Armed Services, Defense Policy Panel, *Statement by the Honorable Stephen J. Hadley, Assistant Secretary of Defense International Security, Before the U.S. House of Representatives Committee on Armed Services Defense Policy Panel, Second Session, 101st Congress on "Contingency Forces,"* presented 22 March 1990.

U.S. House of Representatives, Committee on Foreign Affairs, Subcommittee on Europe and the Middle East, *Statement of Raymond G. H. Seitz, Assistant Secretary of State, Before the U.S. House of Representatives Committee on Foreign Affairs Subcommittee on Europe and the Middle East,* presented 22 March 1990.

U.S. House of Representatives, Committee on the Budget, *Statement of The Secretary of Defense, Dick Cheney, Before the U.S. House of Representatives Committee on the Budget, in connection with the FY 1991 Budget for the Department of Defense,* 7 February 1990.

U.S. Senate, Committee on the Budget, *Testimony of Robert S. McNamara, To the Committee on the Budget of the United States Senate,* presented 12 December 1989.

U.S. Senate, Hearings on the "North Atlantic Treaty," before the Committee on Foreign Relations, United States Senate, Eighty-First session, United States Government Printing Office, 1949.

U.S. Senate, *Speech of U.S. Senator Sam Nunn on "Defense Budget Blanks,"* presented 22 March 1990.

U.S. Senate, *Speech of U.S. Senator Sam Nunn on "The Changed Threat Environment of the 1990's,"* presented 29 March 1990.

U.S. Senate, *Speech of U.S. Senator Sam Nunn on "The Changed Threat Environment of the 1990's,"* presented 29 March 1990.

U.S. Senate, *Speech of U.S. Senator Sam Nunn on "A New Military Strategy,"* presented 19 April 1990.

U.S. Senate, *Speech of U.S. Senator Sam Nunn on "Implementing a New Military Strategy: The Budget Decisions,"* presented 20 April 1990.

Uchitelle, L., "East Europe Ties Mild Capitalism," *The New York Times*, 11 December 1989.

Webster, W. H., *Statement by the Director of the Central Intelligence Agency Before the Armed Services Committee, House of Representatives*, 1 March 1990.

Z, "To the Stalin Mausoleum, *Daedalus*, p. 295-344, v. 119, no. 1, Winter 1990.

INITIAL DISTRIBUTION LIST

	No. of Copies
1. Library, Code 0142..... Naval Postgraduate School Monterey, California 93943-50002	2
2. Defense Technical Information Center Cameron Station Alexandria, VA 22304-6145	2
3. Superintendent..... Chairman, Code AS Department of Administrative Sciences Naval Postgraduate School Monterey, California 93943	1
4. Superintendent..... Larry R. Jones, Code AS/Jn Department of Administrative Sciences Naval Postgraduate School Monterey, California 93943	3
5. Superintendent..... Jerry L. McCaffery AS/Mm Department of Administrative Sciences Naval Postgraduate School Monterey, California 93943	1
6. LT Richard Guerrero, USN 28 Indian Trail Merrillville, Indiana 46410	2